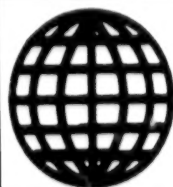


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8 December 1992



**FOREIGN
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JPRS Report

Near East & South Asia

Near East & South Asia

JPRS-NEA-92-165

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REGIONAL AFFAIRS

Study Views Changes in Arab Military Strategy

93AF0103B London AL-HAYAH in Arabic 1 Oct 92 p 8

[Article by Dr. Muhammad al-Sayd Sa'id, expert at the Ahran Center for Strategic and Political Studies]

[Text] Arab armies will certainly be subjected to restructuring in the coming few years. How could this restructuring be achieved with the minimum cost, while greatly improving fighting efficiency? Objective considerations for restructuring are both technical and social.

At least three aspects should be considered by the Arab States to help them choose either methodological or planned operations for restructuring their armies.

The first consideration is based on digesting results of the Gulf war and perhaps the three wars that preceded it, on different fronts in the Arab region, during the last two decades. These three wars would be the October 1973 war, the 1982 Lebanese war, and the 1980-88 Iraq-Iran war.

The Human Element

Undoubtedly, the principal aspect that the Arab states must fully understand and that should be taken as the first step in fulfilling the restructuring process is that of human density. This human density—after considering a certain minimum—no longer has a significant advantage when compared to the aspect of the astounding developments in weaponry systems. The third phase of the technological revolution initiated huge developments in weaponry systems with regard to distance, accuracy, ability to penetrate and destroy, and the variations in firing, directing, and operating techniques. If this advanced technology is to be compared to the technology that existed during previous wars that national movements staged against developed countries, such as the Vietnam war, we could even go beyond previous statements and assert that the equation between human elements and the contemporary technological material elements has very much shifted in favor of the latter. However, this should not belittle future warfare that would be conducted by Arab, Asian, and African liberation movements. In this respect, we, in particular, acknowledge the war of resistance in South Lebanon, which had, at least for some time, some of the characteristics of the Vietnam war. This opinion should not belittle the importance of human elements, specially those relating to having faith in fighting, the belief in war principles, and the ability to assemble civilian and military personnel and mobilize them behind those principles, as well as stir their enthusiasm and readiness to sacrifice for this cause. Perhaps the importance of these elements has increased in absolute terms. These elements might even be crucial in deciding the fate of some kinds of wars, such as wars of attrition, civil wars, and wars between states or powers that are in the same stage of social and technological development. The

quality of the army high command, as regards its instinctive and cultural talents and the extent of its application of war principles, generally speaking, would still maintain a significant value in all kinds of wars, regardless of the stage of development of military technology adopted in the war.

However, we should stress the importance of the material and technological elements as related to various systems, most important of which would be the following: heavy armament, command, control, communication, high and middle command technical and scientific preparedness, and society's ability to provide advanced training, maintenance, and guidance. The importance of these material and technological elements in war has noticeably increased—compared with their importance two decades ago—in those categories of wars where one of the states involved in the war is either a developed one or one that has a methodological, organized, and broad outlook on technology. After the World War II, there was an astounding increase in the use of those armament systems and war technologies inherited from that war. As a consequence, for a long time after World War II had ended, wars—especially civil ones—continued to use the same armaments and war technologies of that war, regardless of either the technical details, or the extent of the armies' armaments and capital. What was observed during the 1973 October war, and even on a larger scale during the Israeli invasion of Lebanon, constitutes a multidimensional technological leap forward, having various applications and complementary tasks. This leap forward is represented by a level of technological advancement that is much more advanced than anything available for developing states and communities. Included in those developing states are the former, now-disintegrated, Soviet Union, which had not used many applications from the present stage of the technological revolution.

The second consideration relates to defense budgets available to Arab armies. Certainly, some circumstances would press for a reduction in those budgets, either as regards absolute figures, or as percentages of gross general expenditure of Arab governments. At the forefront of these circumstances is the economic recession, which is expected to continue affecting most Arab countries, especially those that depend on revenues from oil exports, for no less than three years. On the other hand, the Arab countries that were engaged in international wars, such as the Gulf war, or civil wars, such as Lebanon, Sudan, and to some extent Algiers, would have directing their resources towards the reconstruction of their countries as a prime consideration. Thirdly, both the imperative reduction in general national expenditures and budget deficits, necessarily lead to either reducing or maintaining the military expenditures. This applies particularly to the Egyptian case.

Actually, this consideration reflects a continuous tendency of an existing trend that started approximately in the mid-1980's. However, this trend affected the capital expenditures of Arab armies, including expenditures for

arms imports and military infrastructure, more than it did current expenditures, such as salaries. In spite of the reductions in the size of some Arab armies due to discharges, retirement, and reductions in the number of new draftees, current military expenditures have not been reduced very much. Nevertheless, the percentage for current military expenditures has increased compared with that for military capital expenditures. Over the long term, a continuous reduction of total military expenditures will ultimately lead to reductions in current expenditures, which in turn will lead to a decline in human density in many Arab armies.

The Third Consideration

The third consideration relates to the results that might come out of current negotiations to settle the Arab-Israeli conflict. Were these negotiations to end in a settlement, this would necessarily include security arrangements. Probably, these arrangements would include either a written or unwritten commitment to reduce the size of the armies of the confrontational Arab states, even if the comprehensive settlement treaty did not comprise such a commitment. A situation of military relaxation would follow, which would make it difficult for domestic public opinion to accept large military expenditures in the confrontational states, specifically Syria and Jordan.

Sociopolitical considerations that affect Arab armies are also numerous. It is enough to refer to a limited number of the considerations that relate to those Arab armies that adhere to the principle of general mandatory draft. Undoubtedly, the most important factor that affects the structure of the Arab armies is the increase in its transformation towards military professionalism. These armies no longer possess a tendency for political coups, although, they have not completely given up their political role. Since 1971, there have not been any successful military coups by Arab armies, except in a limited number of cases, such as Mauritania and Sudan. Even in the case of armies still governed by ideological and political elements, such as those of Iraq and Syria, it is found that their huge growth during the 1970's and 1980's has provided them, at least relatively speaking, with some stability in the general structure and organization of their troops.

Actually, politics and ideology still play roles of varying importance inside Arab armies. Yet, the prevailing general trend in the 1970's and 1980's has been to stress the development of professionalism in place of political and ideological loyalty. The major political role of the armies has evolved into protecting the political system, in the first place, and the general system "in the last place," that is, if the political system failed to liquidate or settle contradictions in the society or inside the state apparatus. Undoubtedly, the "political coup," that the Algerian Army carried out in January of this year represents an ideal model for this political role "as a last resort" or after all of the tricks of the political game have been

exhausted. It is expected that Arab armies would perform the same role in some Arab states when there is dangerous political and social tension. This kind of tension may be intensified in the 1990's to the extent that it would endanger not only the existing political system, but also social peace and the system as a whole.

As a result of the development of the general education system, there has been an evolution towards professionalism, which has been accompanied by the enrollment of large numbers of educated individuals and specialists in Arab armies. Most of new enrollees are draftees. However, a good percentage of those who complete civilian higher education will become army professionals. In this case, it may be that fear of remaining unemployed is one of the most important reasons to go into the military. On the other hand, there has been a general deterioration in material and moral rewards for military professionals in some Arab states. This is one of the symptoms of the deterioration of real salaries, as well as the deterioration in the social and moral status of government employees because of inflation and the acceleration of the uneven wealth distribution, which does not favor this important social class. It also is the result of the acute financial crisis that is faced by the majority of Arab states.

This last consideration brings out the importance of social considerations in the composition of Arab armies. Armies are not so much professional or employment organizations as they are social structures. Most Arab armies, including those that rely on the general draft and on a certain degree of modernization, are still characterized by the persistence of traces of feudalism.

This phenomenon is particularly demonstrated in the relationship between soldiers and officers. Degradation, strain, and pressures, which are facets of this relationship in any Arab country, are demonstrated in a much more intensive manner than strict military professional discipline demands.

Undoubtedly, the enrollment of large numbers of educated individuals as career members of Arab armies, particularly in the armies of confrontational states, has lessened feudal behavior in the psychological and social relationships between officers, on one hand, and soldiers and sergeants, on the other. Nevertheless, the persistence of high human densities in Arab armies makes any big improvement in social relationships inside the military structure a matter that will take a long time to materialize.

Restructuring

The technological, political, and social considerations naturally stress the arms, scientific, and technological factors, rather than that of human density, in developing and restructuring Arab armies.

According to all of these considerations, what is really required for the restructuring process is the follow-up of

technological developments in defense and war technologies to match the current developments of the technological revolution that are affecting communities economically and socially.

The best levels of performance in all of the wars that the regular Arab armies fought with Israel were achieved when there was a near-balance in the technological composition of the heavy armaments system of the Arab and Israeli armies, which was the case in the 1973 October war.

This relative balance was severely disrupted in favor of Israel after the 1973 war, the reason for was being that the Soviet Union, the Arab world's major supplier of weapons, was unable to pursue any technological renovation, while, the United States, the major source of weapons for Israel, has been involved in a comprehensive development process for both its traditional and nontraditional arsenal.

Anyway, this strategy has to be in compliance with the economic and social limitations that the Arab armies will be subjected to in the near future. Truly, the transfer to the strategy that depends on armament density is financially expensive, yet, it would enable a reduction in current expenditures and also would help improve the material and moral status of professional soldiery. This could be achieved if the broad base of soldiery is adjusted to the strategy of high armament density, which implies dependence on methods, not quantities.

The question that arises here, however, is the method by which it would be possible to apply the follow-up strategy in the area of defense and war technology, within the restraints of technological backwardness of the Arab world. In addition, there are still stronger restrictions on military technology directed toward the Arab world, such as those included in President Bush's initiative, which comprises restrictions on arms exports to the Middle East.

Actually, there are five complementary routes that should be followed for restructuring Arab armies so that a possible balance with the higher levels of technological development of developed countries armies could be achieved.

The first route, which is the decisive one for restructuring to succeed as a whole, is either the establishment or expansion of research and military technology development activities. In this issue, there should be a clear distinction between research and development activities and the establishment of military industries. Research does not necessarily depend on or lead to military industry. For it is possible, for example, to concentrate research and development activities on both military and construction engineering operations, which need limited manufacturing operations, although these operations may be highly advanced. The difference between modernization of a small industrial operation that is suitable for application to military and construction engineering operations and military industries in the

traditional sense is that the former is directed towards a quality and distinct transfer operation and the latter deals with standardized mass production. Subsequently, the former does not require the huge inputs needed to establish a modern military industry, which are not available in most Arab countries. Besides, the establishment of research and development activities could be based on creative procedures that stem from new engineering developments, specially those not requiring a complicated and highly technical industrial base, which is not available in most Arab states.

As research and technological military activities are extremely costly, cooperation, even among a limited number of Arab states, is necessary in order to realize the highest possible advancement of these activities, as well as to be able to merge them into these military structures of these states. The shortest route to this goal is the revitalization of the Arab Industrialization Organization, so that it can proceed with full force toward the goal of revitalizing Arab military technological cooperation on the same pattern that is already achieved in the West.

The Arab armies could also attempt to obtain the help of universities, institutes, and civil research organizations for the study and improvement of certain technological projects on the basis of competition and contracts, which is the procedure that prevails in the United States and Europe.

The second route is based on restructuring the military set-up, giving more impetus to those branches of the military related to new, rather than traditional, technology. This route seems better than its alternative, which would promote the technical components of traditional branches of the armed forces, especially that of the infantry, whose performance records in the last wars was not very encouraging. In that regard, reference is made, in particular, to those branches connected with space, aviation, missiles, and advanced navigation because there is proof that these are the branches that decide the primary results of warfare.

The third route is based on adjusting the balance between specialized operations and activities, especially such systems as those of command, control, communication, guidance, maintenance, and supply, as well as traditional ones, including fighting. Related to this same route is the reorganization of the draft system. Most relatively developed Arab states have a number of graduates of schools, colleges, and institutes who have taken courses related to the different branches of technology and modern science. These graduates should become the supply source for the new draft system, as opposed to the unclassified supply, which is the system currently followed as part of the mandatory draft system.

The fourth route is connected with spreading the spirit of professionalism. This spirit should be generally consolidated, as opposed to the mentality prevailing in Arab military organizations. This prevailing mentality has been concerned with bureaucratic promotion, the search

for dignity, and promoting superficial disciplinary, inspection, and correction methods. According to the spirit of modern professionalism, it is necessary to change the command structure in order to correct the existing, somehow upside-down pyramid. In that pyramid, the number of high-ranking commanders who have been haphazardly promoted, has increased because of pressing political, military and social circumstances. Those high-ranking officers are promoted in favor of military commanders at both the base and the center of the pyramid. Meanwhile, activities, such as training, maintenance and replacement, supply and regular supply inspection, should be promoted, as well as the involvement in experimental operations of warlike conditions, such as taking a more active part in UN peace-keeping operations. Promoting these activities is essential to increasing the level of professional performance and its technological component. All of these promotional activities should naturally be accompanied by a methodological procedure to raise both material and moral remuneration for Arab professional soldiery.

The fifth route represents all the results of the other four routes, taken together. The goal of this route should be to abandon, or at least become liberated from, the tendency for traditional military strategies, which are based on quantity and density. For example, dynamic strategies, based on quality, elasticity, mobility, armament efficiency, and skillfulness, should substitute for stable defenses strategies.

Arab Limitations

Yet, could this general strategy for restructuring be considered, by necessity, suitable for all Arab thinking?

In fact, there are three principle restrictions or reservations that might put a limit on the suitability of the strategy of catching up with the technological revolution in the area of defense for all Arab states, not just some of them.

The first restriction or reservation is related to some relative characteristics of most Arab communities. It seems, in some ways, incomprehensible to ignore the relative advantage of numbers and densities of people and follow a strategy that depends on capital and technology resources. Even if this latter strategy is suitable for oil-exporting Arab Gulf countries, it is not at all rational or suitable to follow this strategy in the case of countries such as Egypt, Syria, and Iraq, which have a relatively high population, but have less capital.

The second restriction or reservation has to do with this technological development as it relates to a general orientation toward development and progress in both the economic and political spheres. This is so because the technological strategy in the area of defense is based on and supported by an overall orientation toward development and progress, which is also related to a high degree of industrialization that uses the most advanced technology.

This latter orientation might be unacceptable to many because it might be biased against those who are poor and unqualified from the educational, scientific, and technological standpoints. Actually, many people defend an alternative strategy for development. This alternative strategy would first aim at providing people with their basic needs and overall development. This strategy would thus start by developing agriculture, then simple manufacturing, to be followed by heavy industry, and, lastly, by looking into the different branches of the present technological revolution. What has been described above as relating to this alternative strategy seems to contradict the choice of going with the technological strategy in the area of defense.

The third reservation would be the ignoring of some of the best examples of Arab soldiery that are completely outside the realm of regular armies. An example of what has been achieved by the unofficial power of the people and is considered an Arab model for people's liberation wars is the example of the national coalition that led the liberation war in southern Lebanon. Some strategic thinkers assert that what Israel has lost due to this people's war is relatively more than all that it lost due to its different wars with regular Arab armies. Therefore, we should give more consideration to the idea of people's wars rather than to that of developing regular armies.

In point of fact, the importance and soundness of these reservations or restrictions should not be belittled. There is no contradiction between them and the idea of the necessity to catch up with the technological revolution in the area of defense. It should be clear that we are still defending this idea. Yet, these reservations should be taken into consideration when determining a direction for a general defense strategy or for Arab defense strategies, now or in the future. In this issue, complete proof of the impossibility of establishing an efficient strategic defense policy that depends on quantities, human densities, and successful unofficial military struggles could not be provided. However, the necessity to keep these factors in both a rational and historic perspective is stressed. It is found that these factors should be considered when laying out a general strategic defense policy in such a way that a state of acclimation should exist between those reservations and the technological revolution in the area of defense and that those reservations not be the focus point for this strategy.

Recruitment in the draft system could provide the ideal solution to the clear contradiction that exists between the imperative of catching up with the technological revolution in the military sphere and the need to make use of the principal relative advantage of the Arab states, which is the huge human asset.

In that case, the basic operational structure of Arab states' armies would be established on the basis of the catching up with technological strategy. Meanwhile, a complementary structure of reservists would be established on the basis of dense populations, taking into consideration the moral and psychological elements in

defense and national security strategies. Consequently, a defense system having two dimensions could be depicted for the Arab states: The first dimension would be that of an official and operational army, and the second would be that of a people's and reservist one. In this regard, we could benefit from the experience of both developed and developing countries.

Arabs Seek Palestinian Information on Iran

93P40048A London AL-SHARQ AL-AWSAT in Arabic
26 Nov 92 p 4

[Text] Several Arab countries have asked Sa'id Kamal, the Palestinian ambassador in Cairo, to forward to them all the PLO's available information on the nationalities of Arab extremists that are currently receiving military training in Iran and the locations of the training camps. Reliable Arab sources told AL-SHARQ AL-AWSAT that the PLO's security apparatus obtained dire information on [Iran] training Arabs returning from Afghanistan to Iran, with the intent of sending them to dissenting countries to commit acts of violence in order to destroy the Arab countries' security and stability.

The Palestinian ambassador in Cairo submitted a memorandum to the Arab League regarding 900 Arabs who have been receiving military training in Iran over the past three months. According to the same sources, the Egyptian foreign minister is not yet considering any measures to withdraw the head of the Egyptian interests section in Tehran, Ambassador Ahmad Namiq, or to expel his Iranian counterpart, Ali Asghar Mohammadi. Mohammadi's current mission is limited to disseminating published Egyptian press reports on Egyptian-Iranian relations and the Iranian role in the region.

King Hassan, Zayid Discuss Islands Issue

93AE0094A London AL-HAYAH in Arabic 26 Oct 92
p 4

[Article by Shafiq al-Asadi and Muhammad al-Ashhab: "Morocco, UAE: Mutual Initiative To Hold Minisummit"]

[Excerpts] Official discussions will begin today between Shaykh Zayid Bin-Sultan al-Nahayyan, the president of the United Arab Emirates, and Moroccan King Hassan II, who arrived in Abu Dhabi on 25 October 1992 from Saudi Arabia. The king's visit is within the context of his Arab tour, which will also include Jordan, Syria, and Egypt. This is the first trip of its kind in some time.

Diplomatic sources say that the talks between Shaykh Zayid and his guest will "lay the foundation for a mutual initiative between the UAE and Morocco on the Arab and Gulf scenes." They expect these talks to have "important results." [passage omitted]

Informed sources said that the two leaders will conduct a comprehensive evaluation of the Arab situation, unifying efforts to restore "a spirit of solidarity" and Arab

reunification. The sources pointed out that today's discussions would round out the talks held by the two leaders in Rabat last month, confirming that the views of Shaykh Zayid and King Hassan II coincide with regard to holding an Arab minisummit, in preparation for achieving Arab reconciliation after the serious rifts that the challenges of the Gulf crisis left on the Arab scene. [passage omitted]

Diplomatic sources say that Shaykh Zayid will apprise King Hassan II of the results of contacts and consultations conducted by the UAE with Iran and a number of Gulf, Arab, and international parties to end the Iranian occupation of Tunb al-Kubra and Tunb al-Sughra and abolish the recent measures unilaterally adopted by Iranian authorities on Abu Musa Island.

King Hassan II and Shaykh Zayid will evaluate the results of the UAE's peaceful initiative to restore full sovereignty over the three islands, including the possibility of submitting the issue to the Security Council. The sources stressed that this evaluation would be useful for the UAE's peaceful initiative, because Morocco is the only Arab member on the council.

Shaykh Zayid will inform his guest of the results of the mediation that the UAE undertook to contain the dispute between Saudi Arabia and Qatar. Note that Morocco sent its foreign minister, Dr. Abdellatif Filali, to Jiddah and Doha. Diplomatic sources said that Shaykh Zayid's talks with King Hassan II would lay a foundation for a mutual initiative between the UAE and Morocco on the Arab and Gulf scenes, in light of the results of the Moroccan monarch's tour. [passage omitted]

These sources indicated that King Hassan II, whose visit to the UAE will last for three days, along with his accompanying delegation, will have an opportunity to depart from his official schedule in Abu Dhabi, which only includes today's session of talks with Shaykh Zayid. Sources point to a lack of any indication that King Hassan II will visit Doha, especially because Shaykh Khalifah Bin-Hamad al-Thani, the emir of Qatar, is away from Doha. The sources consider it not unlikely that Filali, or one of the king's accompanying aides, will carry out this visit. [passage omitted]

Editor Contemplates End of Cooperation Councils

93AE0094B London AL-MAJALLAH in Arabic
28 Oct 92 p 15

[Editorial by 'Abd-al-Rahman al-Rashid: "End of Cooperation Councils"]

[Text] Will the Gulf Cooperation Council [GCC] end, because Saudi Arabia and Qatar are trashing each other with public statements?

Has the end of the Maghreb Cooperation Council been confirmed because the council has not succeeded in meeting as scheduled and because one of its countries—Libya—has boycotted it?

Has the end been confirmed for the Arab Cooperation Council, because its two largest countries fought one another over Kuwaiti soil?

In fact, have the small and impossible-to-manage councils gone along the same route as the biggest failure, the Arab League itself?

We all know that these councils were the Arab rage of the 1980's, after the failure of all of the unification experiments. After the Arab League's inability to absorb its members' mutual antagonisms, the experiment began in earnest with the establishment of the GCC 12 years ago. It learned from the lessons of the Iran-Iraq War, and the GCC was determined to create an umbrella of consensus to shield itself from the war going on in its waters and that war's short-range missiles.

Gulf countries are similar in political systems and in their modern historical development. They are homogeneous in customs, and their interests mesh to a greater extent than in other places. Accordingly, the council plan was possible and less difficult to implement. The GCC became an alliance, both in large affairs, such as relations with Iran, and in very small issues, such as the joint purchase of rice. Electricity switches became similar in those countries because of the application of mutual specifications and standards. Regulations allowed professionals to travel about and work.

Thousands of written regulations in force today among the six countries have become reality, unifying many things, shortening distances, and organizing how business is conducted. All of this has had direct, nonpolitical results. Most of these results are successes of economic integration, which has made extremely slow progress during the past 12 years.

Therefore, is it reasonable that a small border post could cause the downfall of a large edifice? In my opinion, I think that is unlikely because the dispute is extremely insignificant and it is impossible for it to become a cause. Secondly, there are no previous major ramifications that could interact with small disputes. Third, there is no other option before the members of this council, except to convene and continue or break up and return to being small entities swimming in a dark sea filled with large storms.

Europe was forced to face the stormy sea around it, and it is coexisting in the European Common Market, despite their existing disputes. In the past few weeks, Britain has suffered one of its worst economic disasters because of the German Central Bank. Because of this, Britain lost more than 30 billion pounds. Despite the fact that the dispute with Germany cost Britain—in one night—what Desert Storm had cost, London has neither withdrawn from, nor ceased its other activities in the

Common Market. Instead, it defined the parameters of the dispute and dealt with them.

This incident has considerable application for the Maghreb Council, which is marked by geographic homogeneity, similar economic circumstances, and mutual surrounding dangers. However, the Maghreb Council's problem lies in the fact that its political interests far outweigh its economic concerns, for example. This is one of the misfortunes of political influence. Priority is given to political meetings, while political disputes thwart the dates of these meetings and they are canceled, as we see happening today. If this alliance were capable of living, it could become an effective economic stronghold in the Mediterranean region and could strengthen the opportunity for negotiation with its northern neighbors. Its existence would bolster political stability in a large part of the Arab world that today lives in unrest and disquiet.

There is a third council, the quadripartite grouping to which Egypt, Iraq, Jordan, and Yemen belong. The problem with this alliance is a lack of geographic rationale, which its unsuccessful future is imposing upon it. Egyptian-Syrian unity failed after three years, and the geographic dimension played a basic role in causing mutual efforts to be impossible at every level. The geographic dimension is what has caused the inevitable separation of Eastern Pakistan from its western sister.

After all this, the only council that has made progress in its integration program is the GCC. I do not believe that the council can sacrifice 12 years of small steps forward and be content to regress. I think that the council, in the present political, social, and economic circumstances, has begun to go on. In Kuwait, 3,000 work permits have been given to other GCC citizens to pursue economic activities. In Saudi Arabia, thousands of Gulf citizens own houses in the cities of this large country. In the United Arab Emirates, scores of companies are, in fact, living off their exports to other Gulf markets. How can all of these situations that have become intertwined be closed down?

If we were to suppose the council's demise, and we have not yet heard anyone call for that, where would these countries go? What are their other options? Even a country like Saudi Arabia, which is the largest and the best qualified to stand on its own two feet because of its size, would remain weak without the GCC.

Investment Report on Arab Aid, Loans, Grants

93AE0061A London AL-HAYAH in Arabic 16 Oct 92
p 13

[Report from Dubayy: "Egypt, Algeria, and Syria Lead as Aid Recipients; Borrowing by Arab Countries at \$12.5 Billion Last Year"]

[Text] Quasi-official statistics show that Arab and foreign loans, grants, and aid to Arab countries last year amounted to \$12.5 billion, an increase of 56 percent over

nearly \$8 billion in aggregate loans, grants, and aid received by the same Arab countries in 1990.

Figures released in the annual report of the Arab Investment Guaranty Organization revealed that five Arab states—Egypt, Algeria, Syria, Tunisia, and Morocco—received 83 percent of all loans and grants extended by Arab and foreign governments, Arab and foreign development funds, as well as the Islamic Bank, the World Bank, the International Monetary Fund, and other institutions.

Egypt was the largest aid recipient at \$4.6 billion, or 36.8 percent of aggregate aid and loans to Arab countries last year, for an increase of 16 percent over Egyptian aid and loan receipts in 1990.

Algeria ranked second in place of Morocco which slid to fifth place last year.

Loans and grants to Algeria rose from \$350 million in 1990 to \$1.5 billion in 1991, accounting for 20 percent of aggregate loans and grants to all the Arab countries.

Syria occupied third place among Arab borrower nations with loans and grants of \$1.2 billion last year, followed by Tunisia, which received \$1.15 billion, up from \$365 million a year earlier. Total loans and grants to Morocco declined by 38 percent, from \$1.6 to \$1 billion.

Aggregate loans and grants to Lebanon climbed by 160 percent, from \$345 million to \$890 million. Total Jordanian receipts dropped by 31 percent, from \$1.15 billion to a mere \$800 million. Yemen received \$175 million. Palestine and Mauritania received \$162 million each. There was no indication that any aid or loans were extended to Iraq last year.

Egypt

Aggregate aid, loans, and grants to Egypt amounted last year to \$4.6 billion, of which \$592.5 million originated with Arab countries and funds. The remainder came from foreign funding sources.

The Abu Dhabi Fund for Economic Development gave an outright grant of \$85 million to finance the extension of al-Hamam canal in the northern coastal region and to reclaim 50,000 feddans east of the [Suez] Canal. It also donated \$50 million as a contribution to the Egyptian Social Fund.

The Arab Fund for Economic and Social Development extended five loans to Cairo. The loans totaled 105 million Kuwaiti dinars. The first loan provided 10.5 million dinars to finance the expansion of rubber tire and inner tube facilities. The second loan of 36.25 million dinars was earmarked to finance the al-Karimat power generation project. The third, at 14.4 million dinars, went to the Social Fund for Development. The fourth loan, in the amount of 18,000 dinars, funded the modernization of the comprehensive sewage disposal plan. The fifth loan, amounting to 44.5 million dinars, went to the power grid project to link Egypt and Jordan.

The Kuwaiti Fund for Arab Economic Development extended a loan of 14.4 million dinars to the Fund To Finance Projects by Returning Expatriates. The Saudi Development Fund made available a loan of 64 million Saudi riyals to construct the Cairo-Asyut overland highway. Saudi Arabia also disbursed a \$50 million installment of its \$500 million grant to finance small businesses in new communities.

The Islamic Bank for Development gave Egypt three loans totaling \$38.7 million. The first loan, for \$16.5 million, helped fund the natural gas network in Cairo. The second loan, in the amount of \$10.2 million, went for the expansion of the West Cairo electric generating station. The third loan, for \$12 million, is to fund projects between 'Aqaba and Tuwayba'.

Aggregate U.S. aid, loans, and grants to Egypt amounted last year to \$824 million. The United States offered Egypt \$150 million in facility guarantees for the purchase of wheat, \$150 million to finance private sector enterprises and small businesses, \$100 million as a grant to support public sector raw material requirements, \$40 million to modernize Greater Cairo's sewer system, \$5 million for the administrative restructuring of the water and sewage sector, \$88 million for sewage disposal projects in Alexandria, \$60 million for water and sewage projects in cities along the Canal, \$15 million to expand health services, \$8 million for child care projects, \$21.5 million for development projects and for the training of Egyptians abroad, \$115 million in monetary grants, and \$12 million as a grant to volunteer society development projects.

The International Bank for Reconstruction and Development gave Egypt four loans valued at \$789 million. The first, for \$140 million, has been designated to help create a social fund to alleviate the impact of [economic] reform. The second \$84 million loan was for expanding the natural gas distribution system. The third, for \$300 million, was to fund structural adjustments. The fourth, for \$220 million, helped finance the Sidi Kurayr power generation station. The fifth World Bank loan was for \$45 million to finance encased sewer projects.

Egypt also borrowed \$75 million from the International Development Agency for encased sewer projects and \$372 million from the International Monetary Fund to support economic reform programs.

Canada offered [Egypt] 8 million Canadian dollars last year for the purchase of Canadian wheat. The German Bank for Reconstruction extended a loan for 100 million marks to modernize the first stage of the Aswan Dam power station. The German Government also extended DM 550 million marks in loans and grants.

Loans from Austria amounted to 300 million schillings to rehabilitate the telephone network. Denmark extended a grant of 100 million Danish kroner to help compensate for losses from the Gulf crisis and another 150 million kroner to the Social Development Fund.

The African Development Bank extended \$290 million to the Social Economic Fund and to finance economic reform programs.

The European Investment Bank loaned Egypt 568 million European Currency Units (ECU's) to help finance new projects. Japan gave Egypt a grant of \$498 million to help make up for Gulf crisis losses and to fund sewer projects.

Algeria

Algeria was the second largest Arab recipient of loans and grants last year with borrowings amounting to \$2.5 billion. In addition, a group of eight international banks, led by a French bank, agreed to restructure \$1.5 billion of the Algerian Government's general obligations.

The largest loan Algeria received was \$500 million from the United States. The International Monetary Fund also extended \$499.5 in two loans to restructure industry and to support economic reforms. The World Bank made \$450 million available to development projects and to restructure the financial and industrial sectors.

Algeria also received 400 million ECU's from the European Community at the end of last year to support its balance of payments. It borrowed 300 million marks from Germany for the purchase of raw materials and supplies; \$243.5 million from the African Development Bank to fund education and construct a tunnel in eastern Algeria; \$73.5 million from the Arab Fund for Economic and Social Development to benefit the National Authority for Electricity and Water; and \$15.2 million from the Islamic Bank to finance cotton and cement imports.

Syria

Loans, commodities, and grants received by Syria amounted last year to \$1.2 billion of which Arab credit sources extended \$480 million. The remainder came from foreign credit agencies.

The Kuwait Fund made available to Syria five loans valued at 97 million Kuwaiti dinars of which 5.5 million dinars went to the Jurin water project; \$7.2 million to finance projects by expatriates returning from Kuwait; 17.3 million dinars for the Ad Dulbah spinning factory; 37 million dinars to modernize the communications network; and \$30 million for Damascus sewer projects.

The Arab Fund for Economic and Social Development extended to Damascus three loans valued at \$40.5 million of which \$30 million were to fund the phosphates fertilizer project in Tadmur; 5 million dinars for al-Khabur irrigation project; and \$5.5 million for the Jurin water project.

The European Community gave Syria a loan of 146 million ECU's to fund economic and social development projects. Japan extended \$368 million to finance commodity imports and for the Jandar electric project. Germany made available 110 million marks to finance

commodity imports. The International Food Program made available \$57.2 million to improve quality of life in the poorer regions and in primary schools and to finance reforestation. Italy donated 15 billion lire as a grant for development cooperation as well as \$60 billion to fund commodity imports.

Tunisia

Tunisia received loans and grants amounting to \$1.15 billion. It borrowed 17.8 million Kuwaiti dinars from the Arab Fund for Economic and Social Development for the electric grid project to link Tunisia and Libya. It also received \$56 million in 8 loans from the Islamic Development Bank to finance development projects, create a center for Islamic research and studies, purchase equipment for soil and water preservation, finance trade, construct roads, and fund water projects.

The International Bank for Reconstruction and Development gave Tunisia \$306 million last year in three loans to finance economic reform programs and the population and family health project, and for health reforms.

The European Community loaned Tunisia 284 million ECU's under a technical and fiscal cooperation protocol, as well as 8.2 million for an irrigation project.

Tunisia also borrowed \$42 million from the European Investment Bank for water utilization projects and \$100 million from the Spanish Government as a commodity loan. It also borrowed for the same purpose \$15 million from the Swedish Government, \$40 million from the Turkish Government, and \$15 million from the U.S. Government.

The French Government extended three loans valued at 520 million francs to finance industrial and technical projects and commodity purchases. The German Government made available four loans amounting to 73 million marks of which 45 million was an outright grant. 15 million marks was earmarked to finance development projects, 6.4 million marks was earmarked to pay for a towing barge, and 6 million marks was earmarked for a broadcasting station.

Morocco

Morocco received loans and grants amounting \$1.1 billion last year.

The Arab Monetary Fund extended to Rabat a \$63 million loan to support its corrective program. The International Bank for Reconstruction and Development gave it five loans totalling \$562 million of which \$132 million were to develop the ports sector, \$235 million to support reform and economic liberalization, \$145 million to improve education, and \$50 million for farm development.

A consortium of 9 foreign banks, led by Banque Nationale de Paris, lent Morocco \$60 million to finance crude oil imports.

Morocco also borrowed \$34 million from the U.S. Agency for International Development to create new companies and develop housing programs; DM 90 million from the German Credit Organization to improve population conditions, for rural development, and to finance commodity imports; and FF 120 million from the International Credit Agency to build a cement factory.

Morocco also borrowed 63 million units of account from the African Development Bank for pasture development, animal husbandry, natural resource preservation, and to finance rural education. Morocco further received \$75 million from the European Investment Bank for agricultural development in Dukala; 1.7 billion yen from the Japanese Government for the construction of a ship repair facility; \$17 million from the UN Population Fund to improve the quality of life; \$58 million from Canada's Export Promotion Bank to finance repairs to a communications network; and 425 million pesetas from Banco Santander of Spain to finance services.

Jordan

The Hashemite Kingdom of Jordan last year received loans and grants of almost \$800 million, all of which came for foreign sources except for a loan of 5 million Kuwaiti dinars extended by the Arab Fund for Economic and Social development loaned to fund the operations of Jordan's Industrial Development Bank.

Jordan received 29 loans and grants from foreign credit sources last year. The Islamic Development Bank extended \$16 million to finance the expansion of the potash facility. The Belgian Government made 200 million Belgian francs available to support Jordan's balance of payments. The Canadian Government donated \$15 million as a grant to finance purchases of Canadian products. The People's Republic of China gave \$20 million in grants to cover outlays for returning expatriates. The Japanese Government extended 59.4 billion yen as a commodity purchase loan on concessionary terms. The European Community contributed a grant of 150 million units of account.

Jordan also borrowed \$36 million from the World Bank to finance development projects and the construction of water facilities. Austria contributed 100 million schillings as a grant for import financing. The Government of Taiwan contributed \$10 million to help returning expatriates. The German Bank for Reconstruction donated 150 million marks to support the balance of payments, and the Swiss Government gave \$40 million for the same purpose. The Italian Government extended 26 billion lire in concessionary loans.

The European Investment Bank extended 16 million units of currency to finance sewer projects in al-Zarqa' and projects by the Industrial Development Bank. The German Government lent Jordan 64 million marks to fund agricultural and water projects. The European Economic Community extended \$50 million to support

development projects. The Spanish Government made \$2.6 million available for the purchase of Spanish [cooking] oil.

Palestine

Palestine received aid and grants amounting to \$161 million. The Kingdom of Saudi Arabia extended \$14 million to the Palestine National Fund. That represented the amount collected from Palestinians working in Saudi Arabia at the rate of 5 percent of salary, in addition to contributions by Saudis.

The European Community contributed four grants totaling \$99 million, of which 3.7 million ECUs were in emergency food aid; \$12 million to support jobs and incomes in industry, agriculture, and services, and \$62 million in assistance made necessary by the Gulf war.

The U.S. Agency for International Development extended \$12 million in development assistance, commodities and supplies, and health care. The Japanese Government offered \$10 million in aid. The Government of Sweden gave \$25 million, also in aid; and the International Food Program contributed emergency medical aid valued at \$872,000.

Mauritania

Mauritania received loans and grants totaling \$120 million. The Central Fund for French Cooperation contributed 300 million francs in aid, as well as 26 million francs to expand the water network in Nouakchott. The European Investment Bank offered 5 million accounting units to develop a mine in the northern part of the country. The African Development Bank extended 8.4 million accounting units for the water development project. The International Credit Agency made \$4.1 available for gold mining in Akjoujt. The French Government also contributed 4 million ECU's in support of the fishing industry.

Yemen

Yemen received nearly \$175 million in loans and aid, of which the International Development Association contributed 11.9 million special drawing rights (SDR's) to finance an electric power project, as well as 44.8 million SDR's for the development of fisheries and for a project to improve the quality of life of expatriates returning from the Gulf. Japan's Overseas Fund extended \$50 million to develop and expand the telephone system in Aden. The World Bank contributed \$14.5 million for the agricultural sector management project. The OPEC Fund offered \$14.4 million to finance small businesses. The Japanese Government extended a grant of 1 billion yen to finance purchases of medical equipment, fertilizers, and farm equipment.

Update on Economic Reform; Successes, Problems

93AF0164A Paris LE MONDE in French 6 Nov 92 p 10

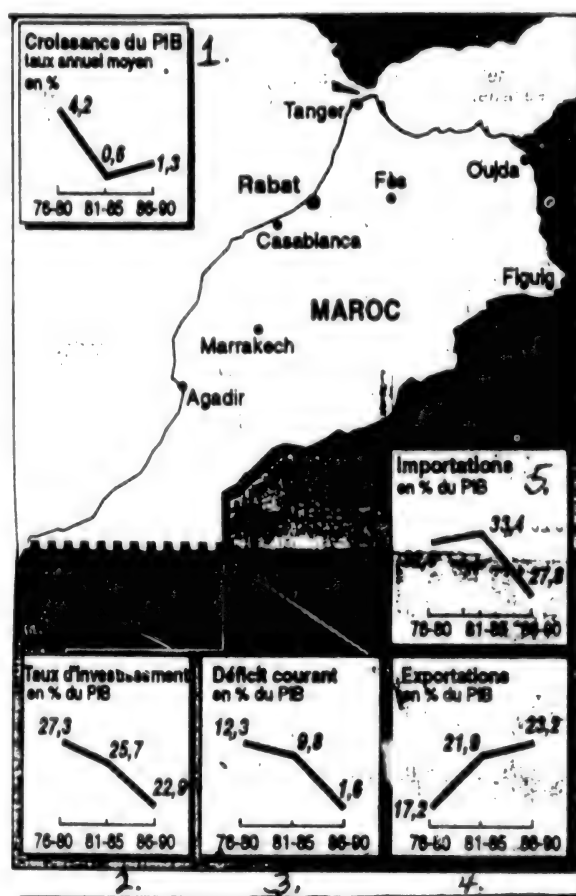
[Article by Agnes Chevallier, researcher at the CEPII (Center for International Projections and Information): "Morocco: 10 Years of Adjustment"]

[Text] Of the three Maghreb countries, Morocco is the one with the lowest per capita income: just above \$1,800 in 1990 (at the exchange rate corresponding to purchasing power parity), compared with \$3,100 and \$3,250 for Tunisia and Algeria, respectively. Morocco was also the first of the three to be affected by the financial crisis, back in 1983. This brought about the first rescheduling of the Moroccan debt, and the simultaneous implementation of the first stabilization and adjustment measures supported by international institutions.

Nearly 10 years later, how far has Morocco gone? Often referred to as "the IMF pet student," Morocco is one of the highly indebted developing countries where adjustment measures have yielded positive results without exacting exorbitant costs. In fact, Morocco has achieved a number of objectives: appreciable reduction of its budget and current deficits, increasing openness of the economy, implementation of monetary and financial liberalization instruments, development of the private sector. In the early eighties, stabilization efforts led to a marked decline in activity. However, in spite of strong demographic growth, Morocco was able to prevent a decline in the per capita income.

A recent study made jointly with the UNDP [UN Development Program] and the World Bank showed that, during the adjusting years, the average standard of living continued to increase, and housing, health care, and education continued to progress. Yet, much remains to be done: Morocco must both persevere in the road to reforms and correct the reforms negative effects, for instance in education. In rural areas, the attendance rate at primary schools does not exceed 54 percent for the boys and 29 percent for the girls.

With respect to macroeconomics, the progress made must be consolidated. Any resumption of growth still results in a worsening of external imbalances. Balancing the State budget—but not the budgets of local communities—will require a reform of direct taxation, politically difficult to achieve. As far as liberalization is concerned, the progress achieved is not exempt from difficulties. The deregulation of credit, and the near total deregulation of interest rates in 1991 brought about a strong increase of the money supply and an unexpected increase of inflation. The failures of privatization, for their part, revealed the obstacles created by the very high degree of wealth and power concentration. Finally, although until now Morocco was able to prevent any excessive worsening of unemployment, job creation should be given greater priority as reforms go on.



Key:

1. GDP [gross domestic product] increase, average annual percentage rate.
2. Investment rate as a percentage of GDP.
3. Current deficit as a percentage of GDP.
4. Exports as a percentage of GDP.
5. Imports as a percentage of GDP.

Maghreb: Overview of Economic Activity

93AF0164B Paris LE MONDE in French 6 Nov 92 p 10

[Article by Agnes Chevallier, researcher at the CEPII (Center for International Projections and Information): "Maghreb: Downturn"]

[Text] For the year as a whole, the economic downturn in the Maghreb may be quite appreciable. Projections made early this year for Morocco had to be revised downward in view of poor agricultural performance: the overall gross domestic output might decline by 3 percent. In Algeria, the results of the agricultural sector are good, although they do not match 1991 results. The decline will be especially marked in the industrial sector, the hardest hit by the economic crisis and the problems connected with the reform process: the manufacturing

output today is below what it was in 1984. For the economy as a whole, the recession might amount to 2 to 3 percent. Tunisia is the only country that will experience an increase in its domestic product. Although it will not reach the 6-percent objective of its new Five-Year Plan, it might still exceed the 3.5 percent recorded in 1991.

Belaid Abdesselam's government believes that the austerity that Algeria must impose upon itself should not exceed the three years required to reduce its debt service. Although it stated that "the very first thing to do is to free the country from the foreign debt burden," the government did not go back over its predecessors' position—no rescheduling with the Paris Club. Algeria will attempt to continue to "reprofile" its debt through bilateral agreements with the country's main creditors.

The amount of new foreign loans, the variations of world oil and gas prices, and the financial outcome of the opening of the oil and gas sector to foreign operators will determine the extent of Algeria's financial room to maneuver. If it is very narrow, it might lead to increased austerity. It is on this assumption that the government based the barebone version of the short-term economic program it introduced last September. In this version, foreign currency resources are reserved for the imports required to cover the population's essential needs: health care, housing, food. Any additional room to maneuver will be used for imports required to operate industries where high unemployment might result from an interruption of activity. Currently, 1.5 million people are unemployed, i.e., 22 percent of the active population. Managing the shortages thus created will require State interventions, which are obviously counter to the liberalization policy implemented since 1988. Imports of products competing with locally manufactured products will be banned. A system of multiple exchange rates will be set up.

The law on currency and credit, which in 1990 marked an important stage in liberalization, will be revised, in particular to enable the Treasury to borrow again from the central bank. However, the government pointed out that this was not the expression of an ideological choice, but short-term measures required by the severity of the crisis. The factors of openness that do not impose too severe a cost or adjustment on the economy are maintained: sometimes even increased opening to foreign capital, privatization, creation of free zones, promotion of exports (except for gas and oil) and tourism.

By maintaining such austerity, Algeria should begin to reduce its debt. Certainly, in 1994 the debt service would still take up over one half of export revenues, still much less than today's 70 percent. The import capacity might then be increased and growth less constrained. Meanwhile, the austerity imposed will further increase unemployment. The social risk appears extremely high, even though the creation of a national solidarity tax, new tax provisions, and the priority given to essential needs may limit the effects of a prolonged recession on the poorest.

In Morocco and in Tunisia, the adjustment of the internal demand imposed by the financial crisis of the eighties was less severe than in Algeria. Foreign debt management, and multilateral and bilateral financial support made for a "smoother" reduction of current deficits. The importance of private income transfers and tourism revenues relieved the stress on the goods balance. Finally, these two countries' ability to promote their exports warranted a rapid resumption of imports after a short stabilization stage. Although both countries experienced a marked slowdown in their growth, they were able to avoid the recession that has been affecting Algeria for six years already. Nevertheless, the persistence of a structural trade deficit cannot fail to raise questions as to the future, in particular concerning the nature of the exports that were promoted.

Whether for textiles in both countries, or fertilizers in Morocco, exports have a high content of imported intermediate products. The surplus they yield, and the growth impetus they may provide are reduced accordingly. In recent years, this effect was not much apparent at macroeconomic level, as other import categories were limited, either through favorable "exogenous" developments (oil prices in the case of Morocco, good agricultural yields), or through an investment slowdown. Less favorable exogenous conditions, such as those experienced by Morocco this year, or a more marked resumption of growth might reveal these imbalances.

PALESTINIAN AFFAIRS

Paper Says Negotiators Lack Popular Voice

93AF0067C Jerusalem AL. I A L F A H in Arabic
17 Sep 92 p 6

[Article by Zuhayr Zahran "A Letter to the Political Forces: Toward Amending the Relationship Between Our People's Masses and Their Political Forces"]

[Text] Whoever listens to the masses or debates the topic of the negotiations with them, or any other topic related to our people's national cause, the intifadah for example, understands the weight of mounting despair and the pain at work in the souls of the masses. He understands the reasons for its foggy perception of political developments and their ineffective wait-and-see position—and the readiness of some to support incomplete solutions. One concludes that those responsible for this situation, in which the chasm is widening between the masses and their negotiating delegation, are the political forces. In particular, they bear the responsibility and the inadequacy of the forces that are taking part in the negotiating process, because the other powers that have embarked upon this process have played, from the beginning, a contrary and suspicious role in ridding the delegation of the cause of the Palestinian people and the adherence to

Palestinian principles. Nor have they offered an objective alternative or even played a role of constructive opposition supporting adherence to principles and rejecting surrender. As for the participating powers, their inadequacy stems from their not having maintained a constant and permanent link between the masses and the negotiating team. In fact, they left the masses prey to rumors and propaganda and to statements that damage the team's credibility and standing, such as the rumor about forming the police or the statement that "we are reaching an understanding about the necessity of the security settlements or the Allon Plan," which were a sign of inadequacy in the eyes of the masses and which seemed to give credence to the claim that the solution had been cooked up beforehand, that the role of the negotiating team was merely to take part in its formulation after adding a few spices to it.

All of us understand, in this context, the dangerous extent of rumors, and you know that it is the machinery opposed to our cause that is responsible, in most instances, for promoting them. You also understand the eagerness of many of the parties opposed to the independence of our people and their wish to eliminate the role of the masses and to isolate them from the negotiating team, with the aim of stripping the delegation of its true strength, which stems solely from the will of the masses and their aspiration for an honorable, comprehensive, and just solution.

In order to get out of this situation, in order to withstand the rumors and propaganda, in order to strengthen the negotiating team's role with effective mass support, on the basis that the negotiations are an arena of struggle like the other struggles of our masses, and as a bridge over the chasm that separates the masses and the negotiating team and its political forces, why don't we intensify political action with the masses? Why don't we work to create a link between the masses and the negotiating team? Why, for example, isn't there a broadening of the negotiating team's base of loyal individuals to take up the role of addressing the masses and setting the truth before them in every small detail? Most assuredly, the masses will go forth to work in support of the negotiating team, if the political powers that be improve their action among the ranks of the masses.

Negotiator: Opposition Has 'Fundamental' Role

93AE0067A London AL-QUDS AL-'ARABI in Arabic
20 Oct 92 p 5

[Article from Jerusalem: "Dr. al-'Akir: Transitional Phase Must Lead to Independence"]

[Text] Dr. Mamduh al-'Akir, a member of the Palestinian negotiating team, has said that the day might come when the negotiations are suspended due to Israel's total obstinacy, similar to what happened in South Africa when Nelson Mandela suspended negotiations there last June and appealed to the masses who were firmly behind him to pressure the racist government

there. "Three weeks ago, we saw the South African Government give in to the rise in mass anger, and the sides returned to the negotiating table."

Al-'Akir's statement came in the course of his response to a question by AL-QUDS AL-'ARABI on the chances of the Palestinian delegation's pulling out of the negotiations if they achieve no palpable progress in the next round.

"The main thing," al-'Akir added, "is for us to get into the challenge of the negotiations, to plunge into the negotiating battle to reveal all the possibilities of the negotiating process and our adversary's intentions. Then we have recourse to the appropriate tactics and positions—whether to stick with the negotiations or pull out of them if we, as a national movement, do not reach the conviction that the negotiations have benefited our objectives and there is no longer any room for proceeding."

Addressing the position of the Palestinian negotiating delegation on the plans that have been proposed and the likelihood of its approving these plans, al-'Akir said that the solution to which none of us will accept a substitute is that the transitional phase be transitional in every sense of the word, leading to independence and to the end of the occupation. This is the standard by which any agreement reached with Israel must be measured.

"The important thing in any accord is that we leave no chance for the occupation to remain entrenched, under any circumstances, or granted legitimacy or that the transitional period become a final situation."

Addressing the role of the opposition and its significance at the present stage, al-'Akir said that the opposition was a fundamental part of the Palestinian body and has a basic role in a political solution because it warns against the dangers and risks that are present along the negotiating path. The opposition, however, made a serious error when it put aside objectivity in its criticisms and gave priority to narrow factional considerations instead of putting higher national interests first in what it said about the negotiating process, the Palestinian delegation's position, and the PLO leadership.

"For example," al-'Akir said, "we wrote that some in the opposition say that they deal with the proposals, as if the Israeli plan was the Palestinian delegation's plan."

"That of course increases the confusion of the Palestinian masses, especially inside [Israel and the territories], at a time when we are in the greatest need of awareness and resolve on the domestic front."

Al-'Akir concluded by saying, "I firmly believe that we must mobilize a strong domestic front to strengthen our negotiating position vis-a-vis our undoubtedly strong adversary."

Paper: Talks Held Under 'Oppressive Conditions'

93AE0067B London AL-QUDS AL-'ARABI in Arabic
20 Oct 92 p 11

[Commentary: "Fears in Their Place"]

[Text] The Palestinian Central Committee's decision to continue with the bilateral talks, in their seventh round in Washington, was the right one because this round will be the most important one, but also because all of the other Arab delegations have chosen to take part. It would not be wise to be alone in boycotting or in pulling out at this critical juncture of the American presidential election campaign.

Although there are many positive points in the opposition's argument against participation and their demands to withdraw, the Assembly's decision to attend the seventh session was conditional on the need for the application of Security Council Resolutions 242 and 338 as the basis for the negotiated peace process, as provided for in the U.S. statement of guarantees, not only in the final phase, but in the transitional phase as well, seeing it as the minimum Palestinian demand at this stage.

It is the right of every Palestinian to express his fears of the Israeli, American, or even Arab surprises that might crop up in the seventh round. President Bush thinks that Rabin's Israel is different from Shamir's Israel, and he wants, in his difficult election situation, the payback for his friendship with Rabin and his release of the loan guarantees to the Israeli Government.

An observer might find many ambiguous suggestions in what Syrian Foreign Minister Faruq al-Shara' said about the other Arab sides' not waiting five years for the Palestinian transitional period to end before signing peace accords with Israel to mandate the return of occupied Arab territories in the Golan and elsewhere.

The Palestinians did not go to the Madrid meeting and on to the bilateral talks until all of the Arab sides had consented to go. The Palestinian leadership waited for a firm Arab decision to go to Madrid in order to adopt it, too, if only for the sake of improving the terms. But the Arabs imposed a harsh boycott on the PLO, and some of them did not open the doors of their capitals for its leaders until after the PLO accepted the Americans' invitation to the Madrid conference, which proves that the Arab siege of the PLO was designed to force it to participate in the peace process under oppressive U.S.-Israeli conditions.

The seventh round of talks may be no better than the six rounds that preceded it, and that at least is in the Palestinians' favor. Dr. Haydar 'Abd-al-Shafi, head of the negotiating team, has said that Israel has not offered the Palestinians anything—there has not even been any agreement on a working agenda. But the aim of going to Washington is still to confirm the renewed Palestinian intentions for peace and so as not to give Rabin the chance to lay the blame on the Palestinian people for

subverting the negotiating process at this delicate stage of change in the White House.

We understand very well that going to the negotiating table does not mean peace—just as accepting all of the Israeli terms may not lead to a settlement. Peoples before us have negotiated with their enemies, and negotiations have failed. Najibollah even gave up power in Afghanistan, and Washington still did not forgive him. This Palestinian understanding, which runs from the very top down to the youngest Palestinian child, is what launched the intifadah and safeguarded its continuity despite the harshness of Israeli oppression.

The Palestinian people know the rules of the game very well and know its usurped rights very well. Autonomy without sovereignty, which is now being offered at the negotiating table, was never one of its demands. These people were raised on the dream of independence and the establishment of an independent state on its national soil, even before there was a United Nations, and before its resolutions were issued to confirm their legitimate rights.

Peoples' struggles never end with a particular generation—they last from generation to generation, and if artificial entities are the ones that are collapsing with the fall of the Cold War's walls, then the Israeli entity will face that same fate, because it is not an entity indigenous to the region.

Analysis Sees PLO as Future Direct Negotiator

93AE0072A London AL-HAY'AH in Arabic 24 Oct 92
p 2

[Article by Rubba al-Husari: "Transition Period Will Bring PLO Into Role of Direct Negotiator"]

[Text] Occupied Jerusalem—One year after the Madrid conference, observers think that the PLO has succeeded in imposing its presence as an indirect negotiator with the Israelis, by the latter's admission, and is now preparing for the transition period, hoping that the final settlement negotiations to come during the transition period will bring it directly to the negotiating table.

From analyzing two prominent events of last week one can clearly see the message the PLO is trying to convey at least to the Europeans and the reality it is trying to impose with all its strength on the international diplomatic scene.

The mayor of Bethlehem, Ilyas Furayj, canceled a meeting scheduled for two days ago, Thursday, with the British minister of state for foreign affairs, Douglas Hogg, because Britain refused to allow the PLO's London representative, 'Afif Safiyah, to attend the meeting. Furayj said that a PLO rule requires that a PLO representative attend any meeting between a Palestinian official and a minister in Europe.

AL-HAYAH has learned from a Western diplomatic source that a meeting scheduled for last Tuesday between French Foreign Minister Roland Dumas and members of the Palestinian delegation traveling to Washington was canceled at the PLO's request, mainly because another meeting was scheduled for the next day between Dumas and the head of the PLO's political bureau, Faruq Qaddumi.

Analysts think the PLO found nothing to justify Dumas's meeting with the members of the Palestinian internal delegation, inasmuch as Qaddumi's visit was scheduled and inasmuch as the PLO is in charge of the question of administering foreign affairs, a question that will assume special importance during the transition period. Israel says that foreign affairs and security lie outside the powers of the transitional self-government; the Palestinians inside the country say that they have no need for embassies, these being present already in various countries—namely, the PLO's offices, its agencies, or its "embassies."

Observers think that the rule that the PLO has set for meetings of personalities from inside the country with high-level European representatives applies universally, even to the most important personalities of the occupied territories and those with the most influence on the PLO and its chairman, Yasir 'Arafat; for it has been learned that Faysal al-Husayni, whom 'Arafat considers his personal representative in the occupied territories, met yesterday evening with Vatican City Foreign Minister Monsignor Jean Louis Tauran in the presence of the PLO's Rome representative, Nimr Hammad, and is meeting this morning with Italian Foreign Minister Emilio Colombo, also in the presence of Hammad.

Regarding the distance the PLO has traveled from the time of the Madrid conference to the present, the new realities it is trying to create on the ground and the nature of the relationship is it striving to define between the Palestinians of the interior and itself and the external world seem to fall into the framework of the logic that has defined this course from last year to the present.

Many things highlight the leading role the PLO is playing. Yasir 'Arafat's advisers were behind the scenes in Madrid. They were openly present in Washington. Delegation members made "secret" visits to Tunis; they also made public visits and participated in meetings of PLO bodies, such as the Central Council. There was a ban on announcing that the Palestinian delegation to the negotiations was the PLO delegation, but there were public handshakes with Yasir 'Arafat in front of the television cameras. There is no longer the least doubt even for the Israelis that the PLO has returned with strength to the Palestinian, Arab, and international scene, despite the hit it took during the Gulf war and its aftermath.

Israeli Foreign Minister Yitzhaq Rabin acknowledged in a conversation with journalists the role the PLO has played. He did not deny that without it, Israel would not

have been able to enter bilateral negotiations with Palestinians inside the occupied territories.

During the recent election campaign, voices emerged from within his party, the Labor Party, to remind his predecessor, Yitzhaq Shamir, that he was deceiving himself and negotiating indirectly with the PLO, even though he insisted on a Palestinian delegation from the West Bank and Gaza, without East Jerusalem.

An important indicator to watch for in coming negotiating rounds, especially the multilateral negotiations, is talk about the Tunisian capital's hosting the meetings of one of the negotiating subcommittees in the near future. If Israel agrees to grasp the chance of an invitation to an Arab capital that has no relations with it, the PLO will have realized no small presence, albeit not official, because the significance will be great.

As the PLO's role in regard to European capitals grows continually stronger, observers think it likely that when the negotiations reach the agreement-signing stage, Israel will find itself facing signers who represent the PLO's official organizations. Yasir 'Arafat's announcing the names of Palestinians from inside the occupied territories as members of the Palestinian National Council, the highest official Palestinian body, will tend to impose another fact on the ground of reality, one that it will be difficult for the Israelis to avoid.

Informed Israeli sources say that the head of the Israeli delegation negotiating with the Palestinians, Elyakim Rubinstein, asked his Palestinian counterpart, Dr. Haydar 'Abd-al-Shafi, to hold unofficial meetings like those held at the end of the sixth round of negotiations. According to these sources, the proposals that Rubinstein presents at these meetings will be carried to Tunis, and a response will come directly from there. This, in the view of observers, means another Israeli acknowledgement of the Palestinian decision-maker and acceptance of it. Although this acceptance is still indirect, it is more open than before.

People's Party's Al-Barghuthi on Peace Talks

*PM2011142592 London AL-QUDS AL-'ARABI
in Arabic 18 Nov 92 p 5*

[Unattributed report: "Palestinian People's Party Secretary General Bashir al-Barghuthi: Israel Refusing To Regard Gaza, West Bank as Occupied Territories"]

[Excerpts] London, exclusive to AL-QUDS AL-'ARABI—Bashir al-Barghuthi, secretary general of the Palestinian People's (formerly Communist) Party, has revealed that Israeli officials distorted the Palestinian position in the Washington negotiations when they said that the Palestinians want withdrawal but are refusing to negotiate about phases. In a lecture he delivered in London at the invitation of the Arab Club he said that the Palestinians want a specific definition of the status of the territories under occupation: Are they "Israeli territories" or "liberated territories"?

Al-Barghuthi emphasized that Israel insists that the West Bank and the Gaza Strip are not occupied territories—which conflicts with UN Security Council Resolution 242 adopted after, not before, their occupation. Israel, he said, claims that these territories are disputed—an unacceptable and completely rejected definition.

He added that "if these are occupied territories, in this case it is necessary to apply to them the fourth Geneva Convention, which annuls all the measures taken by Israel like confiscation of land, expulsion of political activists, administrative detentions, demolition of homes, and settlement building."

Al-Barghuthi stressed that recognizing that the West Bank and the Gaza Strip are occupied territories is the guarantee for linking the transitional and final phases. But for the territories to remain without a definition is a kind of evasion and an attempt to get round the Palestinian rights.

He expressed his belief that there is no harm in continuing the negotiations forever as long as the Palestinian negotiator adheres to his fixed principles and his insistence that they are occupied territories which must be returned to Palestinian sovereignty after Israel's withdrawal from them.

Al-Barghuthi accused the United States of helping Israel to make its own interpretation of Resolution 242 and delay its implementation in the occupied territories. He said that some Arab parties are also trying to persuade the Palestinians to accept formulas that exclude the occupied character of the West Bank and to accept the Israeli-administered character of these territories. He did not name these Arab states. [passage omitted]

Al-Barghuthi hinted that the Palestinians are willing at present to relinquish defense and foreign affairs to Israel in the transitional phase, but they adhere to their right to run their own domestic affairs in full. And that some Arab states are putting pressure on the Palestinians in this connection.

He pointed out that "Israel is proposed a self-administration council that must derive its powers from the Israeli military government." He said that "this would turn the administrative council members into agents." He added that the Palestinians "are demanding a legislative council that would elect an executive council from among its members." [passage omitted]

He warned that Israel is currently working to partition the occupied territories into three sectors: The Gaza Strip sector, the northern West Bank sector, and the southern West Bank sector. Jerusalem is not included in these sectors.

He said that the United States is helping settlement building by releasing the loan guarantees, by putting pressure on the Palestinian side, and—after Yitzhak Rabin's assumption of power—by expanding U.S.-Israeli cooperation at the expense of Arab rights.

He warned that the U.S. side violated negotiating conditions despite their unjustness. "And this requires that the Palestinian side propose again a return to the Madrid Conference, as the invitation letter contains a clear stipulation that the conference should be convened from time to time if all the parties agree." [passage omitted]

He acknowledged that the United States has started to realize that the negotiations have reached an impasse, which is why the U.S. Administration held side negotiations with the Palestinian delegation to assure them. This is in addition to them saying that James Baker will make a tour of the region. He said mockingly, "If Baker failed to make the negotiations a success when he was in power, how will succeed when he is not in power?"

Al-Barghuthi criticized the Arab states, saying that, because of their recent positions, the Palestinians agreed to go to the negotiations under these unjust conditions. He demanded that Resolution 242 should not be divided up in terms of implementation. He said that the Arab states rejected the partition resolution of 1947 and are not entitled to go for separate solutions now and leave the Palestinian people alone. However, he emphasized that the Palestinians will not be an obstacle to progress on any of the other tracks, but the settlement must be comprehensive, because the issues raised are comprehensive, like the refugees, security, economic cooperation, and so on.

He said that President Anwar al-Sadat concluded a separate settlement with Israel under which he recovered Sinai. But he did not bother to recover the Gaza Strip, which had been under Egyptian administration. He expressed his fear that Arab states could do the same thing.

He said that there are Palestinian territories in the Golan, so will these territories be given to Israel, or will they be returned to their legitimate owners? [passage omitted]

At the end of his lecture al-Barghuthi emphasized that the Palestinian people have alternatives, namely to continue the intifadah and political action if the negotiations collapse. These alternatives, he said, existed before the negotiations, are continuing during the negotiations, and will continue after the negotiations. Besides, the Palestinian people did not negotiate over a settlement while Arab tanks were on their way to liberate Palestine.

AL-NAHAR 'Certain' Peace Talks Will Continue

TA1911164092 Jerusalem: AL-NAHAR in Arabic
19 Nov 92 pp 1, 11

[Editorial: "A Grim Climate and Long Process of Struggle"]

[Excerpts] All the signs from Washington indicate that the peace talks are moving one step forward and two steps backward. Amid an atmosphere of expected changes in the U.S. administration, all the parties are

unwilling to adopt crucial decisions. There is an American political vacuum and the parties believe that the terms of agreement on any progress will be better under the new U.S. administration, led by Clinton. If U.S. policy is not subject to a change of administration, the personalities who will assume a decisionmaking position in the Clinton administration will have their own special characteristics. We are not saying that U.S. policy will undergo a serious change, but there is a strong possibility that under Clinton and his new secretary of state, America, sponsor of the peace conference and talks, will take a different approach in dealing with this sensitive issue. It is not expected that the new American team tasked with managing the talks will pursue the same approach as that of Bush and Baker. The impact of this team on the course of negotiations will not become apparent before the spring of 1993.

The prevailing thought among the parties to the conflict was that President Bush and his administration wanted to advance the peace process in order to highlight the U.S. Administration's achievements before and during the election campaign, but following the election's outcome there is no longer any U.S. urgency to reach limited agreements either on the principles of understanding or on the agendas. [passage omitted]

There is no possibility whatsoever for bridging the gap between Israel and Syria despite all that is being said about Israel's readiness to give up the Golan Heights in return for a peace treaty between the two sides. As for the talks between Jordan and Israel, the agenda on which agreement was reached is no more than titles for the problems and issues that will be negotiated. There is still a long road ahead.

As a result, the picture looks grim with no cause for optimism, but it is certain that the talks will continue because the alternatives for all the parties, including Israel, will be more dangerous. Thus, it seems that the Palestinian people's suffering will not end soon. We should, therefore, prepare ourselves for this difficult stage in the history of our cause. Undaunted nations that struggle for their freedom do not expect to achieve their objectives easily. Independence and dignity have never been free of charge.

AL-QUDS: Commitment to Peace Talks Not 'Irrevocable'

FA1811154792 Jerusalem AL-QUDS in Arabic
18 Nov 92 p 9

[Editorial: "Running Around an Empty Circle"]

[Excerpt] [Passage omitted] It seems that the Israeli political presumption that the U.S. transition period will give Israel ample breathing space, that the new administration will be more favorable toward Israel, and that preoccupation with domestic priorities will not allow it to follow the negotiating process actively led the Israeli Government to instruct its negotiators to be intransigent

and to cling to the traditional Israeli positions that are unacceptable to the Arabs and Palestinians.

Our aim in entering the negotiating process was and remains clear: on the one hand, reaching a comprehensive political settlement that ensures the realization of legitimate Palestinian rights within bounds acceptable to the Palestinians; and on the other, ending Israeli occupation of Arab land. However, it has become clear after seven rounds that Israel's aim is to conduct negotiations as a goal in itself and not as a means for reaching a comprehensive settlement. Israel is pursuing a strategy of prolonging the talks as much as possible and dragging its feet over details, so that as a result of accumulated pressure the other side will soften its stands and accept a settlement in the Israeli style. Namely, Israel seeks to exhaust the Arab parties, especially the Palestinians, and expose them to various external and internal pressures to exact from them the stance that it desires.

It will be a mistake if, despite all Israeli conditions as well as negative and repressive practices, we continue to insist for a long time that negotiations are our irrevocable strategic course. This stance is regarded by the Israeli side not as an expression of sincere intention but as an appropriate opening for exerting pressure. The Israelis have believed and have acted on the premise that our strategic commitment to the negotiating process allows them to behave in this process with the utmost freedom, as if the other side has come only to give and not also to take.

We say to Israel and the world that our strategic aim is not epitomized by the negotiating process as a goal in itself but as a means for achieving a comprehensive political settlement that opens vistas for the region to live in security and peace and to work for development, progress, and prosperity. We also say that procrastination, foot dragging, and concentrating on having the talks run around empty circles will lead us to draw the logical conclusion—that is, to pull out of the talks—as noted by the head of the PLO's Political Department. Therefore, Israel should not continue taking the Palestinian side "for granted." Peace is our strategic option, not futile negotiations. Israel should know that continuation of the talks requires two sides.

Guest House Serves as 'Government Headquarters'

93AE0072B London AL-HAYAH in Arabic 28 Oct 92
p 6

[Article by Rubba al-Husari: "Al-Sharq Palace—Palestinian Guest House or Headquarters of 'Prime Minister' Faysal al-Husayni's Government?"]

[Excerpts] Occupied Jerusalem—More than a year ago, a Palestinian politician from the opposition current addressed the chairman of the negotiating delegation's steering committee, Faysal al-Husayni, as he prepared to receive a European minister on his doorstep, saying, "You are not at the level of a minister, but rather a prime

minister." Two days ago it looked as if the peevish politician's jest had turned into reality, for al-Husayni, as "prime minister" (which he may become), was receiving his Portuguese counterpart, Anibal Cavaco Silva, on the steps of the Palestinian "guest villa." It was an irony that the same Palestinian politician stood in line with those who were receiving the guest as "ministers in al-Husayni's government."

Government Headquarters

Al-Husayni laughingly denies that the "Palestinian guest house," as he insists on calling it, amounts to a Palestinian government house. He says, "You can call it Government House when a Palestinian government comes into existence"—this in spite of all of the symbols that surrounded the visit of the Portuguese prime minister to al-Sharq House. It was the first visit of a European prime minister to East Jerusalem to meet with his Palestinian hosts in a building recently chosen to be the official headquarters of the Palestinian delegation to the peace negotiations and as the headquarters for receiving official delegations and personalities wishing to meet with figures from the occupied territories. [passage omitted]

As required by official protocol, the majordomo, or person in charge of diplomacy (a blooming young member of the al-Husayni family who specializes in this field), met the Portuguese guest and presented him to al-Husayni, who in turn presented him to those with whom he was to meet and who represented currents both supporting and opposing the peace process. [passage omitted]

The State

Asked about the political significance of the first reception of a prime minister in this particular building, al-Husayni said, "This place, which at the beginning of the century was considered the Palestinian guest house, now becomes the Palestinian guest house again. Just as the historic moment following World War I prepared a new place for nations, creating some states and dissolving others, so we are experiencing another historic moment in which we are working for Palestine to regain its presence on the scene and become part of the international fabric and for the Palestinian people to realize their right to self-determination and to build their state with its capital Jerusalem."

He added: "Every political step forward is toward achieving the goal, the establishment of our state." [passage omitted]

In 1983, Faysal al-Husayni established a "Society for Arab Studies" in one of the two buildings adjoining al-Sharq House to house the largest public library to assemble documents, as well as all books published domestically and abroad. Israeli authorities closed it in 1988, but allowed it to be reopened this July.

After bidding farewell to his Portuguese guest, al-Husayni said that what had happened that day "was a new sign of the importance of East Jerusalem for us as Palestinians, in addition to the regard of the world for it—international recognition that there is a problem that cannot be ignored."

Israeli authorities seem in some way to have conceded this, as shown by their agreement on dividing prerogatives between outside al-Sharq House and inside. However, what al-Husayni desires is that they recognize the reality that was born on 26 October 1992.

JORDAN

Crown Prince Hasan on Peace Talk Priorities

93AE0050B London AL-HAYAH in Arabic 19 Oct 92
p 3

[Article by Randah Taqiy-al-Din]

[Text] Jordanian Crown Prince Hasan Bin-Talal rejected reports about Jordan's "procrastination" in defining priorities on the Arab-Israeli peace talks agenda. He said this at a press conference organized by the Mid-America Association in Chicago.

Prince Hasan said there are two basic reasons why Jordan is taking its time in laying down these priorities. The first is that the United Nations issued resolutions regarding land occupied since 1967, and the second is that the Jordanian side has a problem with those resolutions not being taken into account at present.

He said: "Our participation in the negotiations is clearly based on Resolutions 242 and 338, while certain parties are inclined to put them aside and begin negotiations on the status of the occupied territories and arrangements for the autonomy council." He added: "We find difficulty in putting the two UN resolutions aside because this would mean putting aside the anticipated outcome of the negotiations."

He said UN Resolution 1919 clearly provides for the right of return, but at the same time the UN resolution provides for the right of Palestinians who sought refuge in other countries to receive compensation. "Therefore," he added, "when the Israelis tell us that accepting the right to return would be suicidal, it would be difficult for us not to remind the world of the right to compensation." All this, he concluded, prompts Jordan to attach great importance to the question of defining the agenda.

Prince Hasan expressed the hope that the coming phase of the bilateral negotiations will achieve "progress both on the bilateral and multilateral levels."

In response to a question by AL-HAYAH regarding the possibility of reaching an agreement on the Israeli-Syrian front before progress is achieved on the Jordanian and Palestinian fronts, Prince Hasan said: "What we hear in the Middle East is that the Syrian authorities have

repeatedly stressed that there will be no separate agreement between them and Israel." The Syrians, he added, also affirmed that "their goal is to reach an agreement on which an understanding has been reached and that would be the basis for a comprehensive solution. The Arab foreign ministers discussed this subject at the meetings that preceded every round of negotiations, particularly the meeting in Damascus.

"Is it logical," he wondered, "that an agreement be reached between the Syrian and the Israelis before an agreement is reached with the others? I believe that during the coming negotiations, all of the attempts will be made in this direction in the hope of reaching a kind of a separate progress."

He said: "I do not mean that these attempts will be made only by those taking part in the negotiations, but they will also be made by those sponsoring them. Should it transpire that it is impossible to resolve the Palestinian problem, progress on the other fronts might be viewed by some as better than no progress."

He said: "Everybody in the Middle East realizes that the fault in Camp David accords lies in ignoring the Palestinian problem. Therefore, this problem should be dealt with and resolved."

With regard to the Jordanian monarch's visit to Egypt and whether it means opening a new chapter in the relations with some Arab countries that have been boycotting Jordan since the Gulf war, Prince Hasan dismissed the idea that the visit involved something new. He said: "King Husayn visited Egypt under special circumstances in order to express his feelings toward the disaster that befell the Egyptian people as a result of the earthquake. The visit lasted only one and a half hours and was of no political significance. It was of humanitarian significance."

With regard to the other Arab countries, he said personal contacts did take place when King Husayn was in hospital in Washington. The king spoke with all of the Arab heads of state.

Prince Hasan expressed the belief that "it is natural to expect a summit-level meeting in which all of the Arab countries would participate or a regional summit that would be restricted to certain countries. It is inconceivable that we continue talks with the Israelis without being able to hold regular consultations in which the Arab countries exchange views."

As to whether Jordan is asking that such a summit be held, Prince Hasan said: "We have been asking to convene an Arab summit for a long time."

Regarding Jordanian-Iraqi relations, he said: "Iraq has always constituted a deep relationship for Jordan and, as such, relations before the Gulf war were characterized by great vitality. Trade relations with Iraq represented about 50 percent of Jordan's trade." He said that Iraq should develop and expressed the hope that "a stable

Iraqi democracy capable of contributing to regional prosperity will materialize."

Eleven Parties Form New Leftist Front

93AE0050C Amman AL-DUSTUR in Arabic 4 Oct 92
pp 1, 24

[Article by Musa Hawamidah]

[Text] Amman—The preparatory committee for the Unified National Action Front has completed all of the documents concerning the establishment of the front. A follow-up and drafting committee has been established. The committee consists of lawyer Hani al-Dahlah, Ahmad Mahmud Ibrahim, Muhammad al-Zu'bi, Salim al-Suways, Naji 'Allush, Tariq Kayyali, 'Umar Abu-al-Raghib and Minwar al-Rimawi. The committee will draft the charter, the basic principles, and the by-laws. It will also make the necessary arrangements to convene the first conference within two months.

The front includes 11 parties. These are: the Arab Socialist Ba'th Party (al-Humsi and al-Najdawi), the Socialist Arab Ba'th Party—the Unified Organization (Muhammad al-Zu'bi); the Jordanian Resurrection [Ba'th] Party (Walid 'Abd-al-Hadi); the Arab Democratic Party (Muhammad Khayr al-Hurani and Muhammad Faris al-Tarawnah); the Progressive Nationalist Democratic Party (Tariq al-Kayyali); the Revolutionary People's Party (Burayk al-Hadid and Abu-'Isa); the Arab Vanguard Movement Party (Husayn Qasim); the Syrian Social Nationalist Party (Raja Rabi' and 'Adnan al-Sabah); the Arab Nationalist Party (Dr. Muhammad Abu-Sa'd); the Arab Popular Liberation Movement (Naji 'Allush); and the Nasirist Unionist Party (Dr. Ahmad al-'Armuti).

The committee also includes several independent nationalist figures, the most prominent of whom are Senator Ahmad al-Farhan, Sulayman al-Hadidi, Salim al-Suways, Dr. Radi al-Waqfi, Faruq (Ma'adh), Mardī (al-Qattamin), Jawad Yunis, Dr. Ahmad Hammudah, Salih al-Fayiz, Jamal al-'Assaf, and 'Arif al-Hindi.

Hani al-Dahlah, chairman of the follow-up and constitutional drafting committee, said the National Action Front will seek to establish a unified national organizational structure based on Arab action as a unified movement. The role of the preparatory committee is to invite the largest possible number of nationalist personalities and organizations to join this national body in order to create a cohesive national Arab front that would prevent the splintering of the nationalist movements and ultimately lead to the movement becoming influential and strong on the Jordanian front.

Al-Dahlah added: "This, however, does not prevent these parties from applying to the Ministry of Interior [individually] for founding permits." He said the follow-up and drafting committee will draft the basic principles

and the by-laws so that they will be declared and approved at the general congress, which will be held in two months' time.

Communist Party Conference Sets Platform, Goals

93AF0050A Amman AL-DUSTUR in Arabic 3 Oct 92
p 12

[Article by Amman al-Sayih]

[Text] Amman—Deputy 'Isa Madanat, secretary general of the Jordanian Communist Party, said the difficulties and obstacles we are encountering must be overcome by conducting a rational dialogue between leftist parties and trends that adopt the scientific materialist method as the way to determine reality and by achieving organizational unity between the leftist parties and the nationalist trends that have adopted socialism.

Madanat said this in a speech he delivered at the opening of the general congress of the Jordanian Communist Party-Temporary Command. He said that this rational dialogue should be based on realities of the era and on shunning rifts and contradictions, which were a factor in the setbacks and defeats that the Arab nation has suffered.

In his speech, Deputy Madanat reviewed the current international situation and the emergence of a new world order in which the United States plays the role of the sole master. He focused on the astounding international changes, as a result of which the national and social liberation movements have receded.

Deputy Faris al-Nabulsi stressed the need for the unity of all patriotic nationalist and democratic forces to create a broad tide that would develop into a base for a congress on both the national and Arab levels. It would also overcome all of the secondary conflicts in the interest of [devoting efforts] to the principal conflict with colonialism, Zionism, and the enemies of democracy.

Deputy Hasan al-Shayyab called for the need for serious work in order to realize the integration of the parties that support the struggle of the working class.

Taysir al-Zibri said the purpose of recalling the history of the trade union movement and the difficulties the strugglers went through for the sake of the welfare of this nation is to learn the lessons and examples of the various stages of the national democratic struggle.

He added: "We need to review the programs, stands, and methods of our internal party action and our relations with the masses with a view toward adapting to these changes and responding to them and drawing conclusions for the party's political and organizational programs."

'Azmi al-Khawajah, secretary general of the Jordanian Popular Democratic Unity Party, delivered a speech in which he said: "In this world we are facing major

challenges, a world in which wrong is above right, self-interests are above principles, and the present is at the expense of the future. Far-reaching political, economic, and social changes are taking place in the world. All of us are called upon to monitor these changes and thoroughly examine them as a step toward charting our tactical and strategic struggle in order to achieve our goals."

He added: "The present state of affairs has enabled the U.S. administration to convene the Madrid conference in order to end the Arab-Israeli conflict, at the heart of which is the Palestine problem, according to terms that are identical with the humiliating Israeli terms. The objective is to diminish the Palestinian people's national rights by offering autonomy to the inhabitants of the West Bank and Gaza Strip."

'Ali 'Amir, secretary general of the Jordanian Democratic Progressive Party, said: "This congress is being held in a time of difficult conditions and major challenges. Today our country is entering the era of implementing one of the most important laws toward building democracy, the law on parties, which in our view, and despite some of its shortcomings, is a an important historic and democratic gain for all of our people. As our people and their active forces are steadily progressing toward supporting the democratic option, there are some people who are harmed by the continued pushing toward this option. For this reason, problems and issues are being raised by various parties. There are those who work against the democratic option by verbally supporting it, while actually undermining it and considering it a temporary stage that will be gotten rid of when an opportunity presents itself. There regional forces that do not wish the democratic disease to enter their areas. These forces seek to sabotage the democratic process in the country. There are also those who suffered under democracy in other countries, and so they seek to sabotage the democratic process in this country. Some people have suffered under democracy because under the previous conditions they enjoyed privileges and gains. The corrupt establishment is not pleased with this broad popular consensus to enhance the democratic option by raising certain issues, making threats, and suggesting to the people that nothing has changed."

Islamists Win College Club Elections

93P40044A Amman AL-RIBAT in Arabic 27 Oct 92 p 5

[Text] The student club elections in the College of Amman Applied Engineering Club have resulted in victory for the Islamic tendency in the college represented by the Islamic Federation slate. [The Islamic Federation won] by an overwhelming majority in the Electrical Engineering and Chemical Engineering Clubs. The federation did not participate in the Mechanical [Engineering] Club election

In the Electrical Engineering Club, the Islamic Federation won six seats out of seven, and an eighth student was added due to a tie with the last Islamic Federation candidate.

As for the Electrical Engineering Club, the federation won four out of seven seats, in addition to retaining the presidency.

Islamists Win Elections in Yarmuk, Karak

93P40049A London AL-SHARQ AL-AWSAT in Arabic
1 Dec 92 p 2

[Text] The Islamic movement candidates won the Yarmuk University student council elections, receiving 32 of the 50 seats. In the elections, 216 candidates were put forward to represent students affiliated with the various university faculties. Dean of Student Affairs (Ibrahim Wazrman) announced that the new student council, which includes six female students, will meet soon to elect a president and the members of its executive committee.

The Islamic movement slate won nine of 11 seats in the city of Karak municipal council in southern Jordan. [The election] was held last Sunday.

Despite the Bedouins' natural victory in these elections and the fact that the Islamic movement did not submit a slate of candidates in its own name, its impact during the campaign was clear. It was clear not only in its support for the so-called "Karak" slate, but also in its support for Christian candidate Muhammad al-'Ammarin, with the aim of creating a seat for the city's Christian minority, which numbers approximately 2,000.

The Yarmuk University and Karak elections are considered an important indicator of the atmosphere for the coming parliamentary elections.

MOROCCO

Beregovoy Visit: Issues Unresolved

93AF0163A Paris LE MONDE in French 5 Nov 92 p 9

[Article by special correspondent in Rabat Thierry Brehier: "Morocco: The French Prime Minister's Visit: Mr. Berégovoy Deems 'Positive' the Trend To 'Assure Democracy'" —first paragraph is LE MONDE introduction]

[Text] On a visit to Rabat, Tuesday and Wednesday 2 to 3 October, Mr. Pierre Berégovoy deemed "positive" Morocco's recent political evolution. However, not all matters pending between France and Morocco were settled during the French prime minister's visit.

The "bad grippe" that King Hassan II had diagnosed in French-Moroccan relations early this year is cured. The welcome extended to the French prime minister showed it: the Moroccan sovereign granted Mr. Berégovoy over one and a half hour of interviews, and the king's

daughter gave a dinner for Mrs. Berégovoy; these are gestures whose significance, in Morocco, goes beyond mere etiquette.

The French prime minister had come to materialize the rapprochement started by the visit of Mr. Roland Dumas last February, and by the visits of Mr. Dominique Strauss-Kahn, minister of industry, and Mrs. Elisabeth Guigou, minister delegate to European affairs. Mr. Berégovoy confirmed to the Moroccan sovereign Mr. Mitterrand's invitation to come to Paris but, above all, he told him that France deems "positive" the country's recent political evolution; at a press conference, he pointed out that "the reform of the Constitution and the ongoing election process should make it possible to establish the Moroccan democracy on strong and stable bases, while promoting and respecting personal and collective liberties."

The French prime minister was able to hear King Hassan II's first impressions of his recent Near East tour, impressions to which, Mr. Berégovoy said, the president of the Republic attaches "importance," as he is preparing his own trip to Israel and Jordan. In this case, he noted that the two countries "shared the same views to a large extent."

The bilateral aspects of French-Moroccan relations were examined during separate interviews with Mr. Mohammed Karim Lamrani, the Moroccan prime minister, and at a working meeting with members of his government. Mr. Berégovoy explained that the possibility of supplying French electricity to Morocco, via Spain, was under consideration, as was aid to the phosphate industry, and the possibility of finding public, private, and international financing to develop the telecommunications network. But, above all, Morocco expects France's assistance in obtaining the European Economic Community's agreement to the creation of a free trade area. Mr. Berégovoy promised his support. However, he did not conceal that "transitional provisions for certain products such as fruit" would be required; French producers have too much clout and cannot be excessively antagonized.

Moroccan authorities are also very much concerned, in Mr. Karim Lamrani's words, about "the dignity and respect of the rights of [their] fellow citizens," although they disapprove of "wild immigration." While the French prime minister assured that Moroccans who legally reside in France "have rights" that must be respected, he was more reluctant when it came to relaxing visa procedures.

Political Party Leaders React to Elections

93AF0142A London AL-SHARQ AL-AWSAT in Arabic

[28 Oct p 6]

[Interview with Abdelwahed Maach, secretary general of the Shura and Istiqlal Party, by Zahir Daoudi in Casablanca; date not given: "Seats We Won Were Spontaneous Expression of Our Support: We Are Pleased, Proud"]

[Text] Abdelwahed Maach, the secretary general of the Shura and Istiqlal Party, in an interview conducted to assess the reactions of political party leaders to the recent election results, stated that his party's aim in the elections was to attain secure democratic rule. He stressed that the seats his party won in the municipal and village elections (83 seats) prove that the party has not been affected by the more than 20-year suspension of its activities. He explained that this absence was forced, pointing out that his party was prepared to enter into alliance with every political organization that is working to apply the idealism of the democratic experience.

The following is the text of this interview with Abdelwahed Maach, and it begins a series of interviews with political party leaders.

[Daoudi] In light of the results achieved by your party in the municipal and village elections, are you prepared to plunge into the parliamentary election battle?

[Maach] What we achieved in a limited amount of time, even before we were able to obtain our share of state support, was merely a spontaneous expression of deeply rooted, consultative support, which pleases us and of which we are proud. It indicates that even though the party was out of sight for two decades, it still has roots.

The important thing for us is the identity that we are able to attract, so as to counter and overcome the rifts and derive new values aimed at the public interest and not merely at narrow, limited, partisan achievements.

The Shura Party was patient and continues to resist all difficulties.

We are fighting for cohesion and for all productive national forces to participate boldly in the coming parliamentary elections.

Our preparations are made up of our assets and our clean dossier, which we present to public opinion as a token of substance and meaning for all citizens.

[Daoudi] What are the justifications for your party's absence from the Moroccan political scene during the previous parliamentary period?

[Maach] Our absence has no connection with the previous parliamentary period. Rather, it was a screening off of part of the nation's conscience, which the party's course represents in ideology and actions. More precisely, it was a disappearance from judgement and was tied to principles and values that transcended the pressure that was brought about by the beginning of independence. There was a tendency toward domination, or an attempt to turn toward imposing an identity, as compensation for our desire to build and portray democracy, which requires dialogue instead of domination. Democracy's consultative choices will help to counter pressures between the government and the opposition. The concept that the consultative school has been striving for is a clear definition of government responsibility and opposition rights.

The Shura and Istiqlal Party was the first party to pursue constructive and committed opposition in Morocco, in order to open the way for political pluralism and oppose any pressure. Moreover, the party has fought to maintain the unity needed by the workers and for working-class cohesion. The abuses practiced by the enemies of democracy against royal democratic national power have afflicted our progress and have affected the seclusion maintained to achieve a lofty goal. That goal has been to strengthen the state's new position, even though it has led to an enforced absence.

[Daoudi] If you decided to enter into alliance, what political tendencies would you prefer?

[Maach] One of our prime goals is to apply ideal democracy with a political will, in which all national forces can join together. Anyone who holds this purpose and strives for this goal is our ally.

In our view, there is no partisanship without effort and no place for those who follow the easy path. Nations experience and practice endurance and patience and do not divide and exploit choices among limited groups or in a narrow circle.

[Daoudi] To what extent did the equal use of the official media by the parties that competed in the elections affect your party's results?

[Maach] We are a party that is testing the times. Our minute was better than the hours of the others, because it called ardently for correction and for commitment to the al-Hassani program with regard to its conciliatory and peaceful options.

We consider our engagement, with its share of ill-treatment and limited minutes, a start toward recognizing our political program and strengthening the public's belief that its principles will build good citizenship.

[Daoudi] In light of the results produced by the 16 October elections and the exchange of accusations, how do you judge the honesty of those elections?

[Maach] What honesty is wanted? Is that what they defined the term "openness" for? All those who had reason to do that, did it.

We do not quarrel with the administration's responsibility, because we are aware that all the petty cases, in every sense of the word, are trying to form alliances and divide the spoils.

[Daoudi] How do you compare the 1983 elections with the latest ones?

[Maach] The renewal of our activity coincided with a political arena that resounded with a referendum, and regional, professional, and national elections. Entitlements [istihqaqat] is a meaningless term, because it is like a slogan. Election quotas in two stages were done to satisfy most parties. Even if I am angry, on one hand, I get some of the booty, on the other.

The party's basic concerns, through its second generation, are things that deepen the awareness of the community in order to attain democratic rule based on solid, fixed principles

[Daoudi] What is your evaluation of the previous parliamentary experience? Was the previous parliament really under the control of the government and the majority that supported it, as the opposition says?

[Maach] What do you mean by opposition? The previous parliament lived among closely related interests. He who claims today that parliament was a puppet in the government's hands is the one who tried, at that time, to force all of the repression, pressure, and assassination in one direction. Don't you see that the Shura Party is concerned with fundamentals and does not go along with slogans

[Daoudi] What is your evaluation of the general political situation in Morocco, in light of the previous entitlement, and what does the country expect from future ones?

[Maach] This is truly a deserving question, but I must initially say that, historically, we were the first to practice constructive opposition. On 4 November 1956, the party briefed the government on its position and issued the following communique: "The Shura and Istiqlal Party, which has always served the people, will continue outside the government, fulfilling the democratic principles for which its banner has stood, and still stands, in the country. It will devote itself to honest, constructive opposition, to advise and warn the government against erroneous positions, and to illuminate and guide the people. This will be done in cooperation with all popular forces in order to build a free, democratic Morocco."

Do you think that at that time we disregarded everything to which we were exposed by our call for constructive opposition? In order to correct the political situation, in our evaluation, democracy must be corrected in ways that will inspire all sincere national forces to participate, so as to deepen and disseminate awareness and propagate new enthusiasm in the new generation, because without that, subsequent generations will be hurt

Our aspirations, out of this historic fragment, are to strive to tie the Shura and Istiqlal Party to the monarchy, within the bounds of a pledge of allegiance, before a constitution is provided in the country. We have compiled definitions of democracy, derived from the political history of the Islamic world

From this perspective, we have responded to the draft of the revised Constitution. Our vote is yes, in light of the convictions and commitments that are intermingled within it. Our aspirations are to guide the method of governing, in accordance with what our own experience determines and the positive aspects of other experiences

One can say with certainty that the motto that we have carried into our conference, by calling for the corrections to continue, is the theme in all the choices to which we adhere

An evaluation of the general political situation here is positive, but it still needs corrections

The struggle on behalf of these corrections should never distract us from a problem to which we have addressed ourselves from the beginning. That is the issue of territorial unity. We have declared that it is a matter before the monarch of this country. He alone bears its burden. He has the complete confidence of his subjects to anchor final, irrevocable unity

The matter of territorial unity has nearly become a metaphor for what we are discussing now, for the simple reason that even what we call the "confirming referendum of the Moroccanization of the Sahara" might not be a justification after every resident of our Saharan region has participated in the referendum on the revised Constitution and also after they have participated in collective elections. In the near future, progress will be completed in the context of territorial unity for all Moroccans by their participation in professional elections, on one hand, and national legislative elections, on the other

[Daoudi] Do you believe that King Hassan II's call to make room for young men and women to enter the political arena has achieved the desired result, which is to end the phenomenon of disestablishment among these two groups?

[Maach] Youth established the Shura and Istiqlal Party. Women shared in that, through the Society of Sisters of al-Safa in 1948. This society was the first women's organization in Morocco. What is being repeated today is a confirmation of what we called for and achieved in the past. Building a society whose majority is youth cannot be done by those who have been given a raw deal. Participation of the youth, and building confidence in them and in all citizens, is the integration for which we are striving

It is certain that because of the royal call to youth, they will exercise their political rights in any affiliation they wish. This group, which represents more than half the community, has been urged to participate and raise their awareness of the political truths, which the monarch of this country has laid out in broad guidelines, letting them decide what should be accomplished and applied. With regard to us, we are a political party that must spread the word that our crown prince's generation must exercise their responsibility without a negative legacy, but rather, by preparation that is the basis of a commitment to the genius of king and country, and the aspirations of both

[28 Oct p 6]

[Interview with Mahjoubi Aherdane, secretary general of the National Popular Movement, by Hatim al-Butaywi]

in Rabat; date not given: "We Are Allied With National Alliance of Liberals; We Have No Funds to Buy Votes")

[Text] Mahjoubi Aherdane, secretary general of the National Popular Movement [NPM], said that the municipal and village elections held in Morocco on 16 October 1992 were the beginning of change. He added that he had expected some of the majority parties to be more affected than they were by the elections.

In a conversation with AL-SHARQ AL-AWSAT, Aherdane explained that every battle has a price that must be paid by those who engage in it. Paying the price is inevitable; otherwise, there would be no political battle.

Aherdane expressed his ideas. He is proud of the results his party achieved without fraud or buying votes.

The following is the full text of the interview.

[Al-Butaywi] How do you evaluate the results of the municipal and village elections?

[Aherdane] I believe that these elections are the beginning of change. There is a will for change. I am certain that we are moving from one stage to a new stage.

Moreover, in these elections, an incredible and incomprehensible amount of money was spent. In the National Popular Movement, we entered the electoral race through our own efforts. The money that the state contributed to us is still in the National Popular Movement's bank account. We spent a small part on our weak candidates. Billions were spent in these elections, and I felt compelled to protest this in my recent statement on television.

On the other hand, I am sure that, during the elections, the Ministry of Interior was clear and applied King Hassan II's orders. However, there were some authorities who acted in mysterious ways. In general, there is a trend toward change. This is the important thing.

[Al-Butaywi] Are you satisfied with the results you achieved?

[Aherdane] We in the NPM are not concerned with elections, but with the spirit that these elections engender. We are also concerned with the fact that our movement got off to a strong start, despite the problems that it encountered in certain areas.

As some people have said, if we had unity between the Popular Movement and the National Popular Movement, both of which I founded, then they would have the overwhelming majority in Morocco. This would be a very important result.

I will tell you something. There are many elements of the Popular Movement that have begun to join the ranks of the National Popular Movement.

[Al-Butaywi] You said that if the Popular Movement and the National Popular Movement united, they would

form an overwhelming majority and, perhaps, would turn the political map head over heels

[Aherdane] I say positively that it will be done one way or another

[Al-Butaywi] Does this mean that there are contacts between you and the secretary general of the Popular Movement, (Ansar), for the purpose of unifying the two movements?

[Aherdane] There are no contacts of this type, but there are contacts with people, i.e., with the rank and file

[Al-Butaywi] I understand from this that you are concentrating more on contacting the movement's rank and file than the leadership?

[Aherdane] Yes. There were contacts during the elections. I sense some ambiguity there, which I did not intend. However, I will make it understood, and a day will come when I can discuss this. For now, I do not want to consider that I have enemies. I do not act hostilely toward anyone. I only want to understand the circumstances and evaluate the situation. The important thing to me is national service. My position is the position of men and nationalism

In the National Popular Movement, we began our work more than a year ago. The result was positive despite the problems that we encountered

[Al-Butaywi] What are these problems?

[Aherdane] I will not explain them now.

[Al-Butaywi] Mohamed Ansar said, in a statement to AL-SHARQ AL-AWSAT, that you were wrong to establish the National Popular Movement. What is your view of that?

[Aherdane] If I were in Ansar's place, I would keep quiet. It would be more useful for him to weigh himself, if he cannot weigh his words. Let him ask where he came from, where he went, and where he is going. I think it unfortunate that you raised this question. I also think it's unfortunate that I answered it

[Al-Butaywi] What parties would your movement prefer to ally with? What are the standards that you set as a basis for these alliances?

[Aherdane] I think that an alliance should be based on logic and on a program to lead Morocco on a secure path. Without that, the alliance would be meaningless. Alliances with regard to groups are made in accordance with each group's situation. Our existing alliance, up to now, is with the National Alliance of Liberals. We are in contact with them. We see no objection to an alliance with them in several areas

As concerns councils in which candidates from many parties won, I would not interfere. I am content to urge those who won under the flag of my movement to ally themselves with persons who believe that they are

capable of attaining the interests of their groups. From this starting point, I would always prefer that we do not force policy into local groups and that we be content to choose the most suitable people in towns and villages.

[Al-Butaywi] Some quarters talk about buying the votes of the winners in the elections in order to shape the offices of the municipal and village councils. What is your comment?

[Aherdane] I was the first to say that the market had become protected, and I publicly condemned these practices. We are unable to buy votes. We do not have the funds to buy them. Therefore, I do not understand the process of buying them. When young sheep are bought, they must be slaughtered. I think that unless the state puts an end to this disaster, we will regress. We will have a parliament without a role and townships without municipal councils. Everybody who has a lot of money will take part in ruining the country. Moreover, if this phenomenon continues, we will be unable to distinguish between thin and fat or between good and evil.

[Al-Butaywi] In light of the municipal and village election returns, how do you see the political map of the next parliament?

[Aherdane] The picture is not yet clear. Matters could be turned upside down. If there was a determination, and the process of buying and selling elections was eliminated, the entire map would be changed.

[Al-Butaywi] The National Democratic Party announced that it had lost 5 percent of the votes because its color was close to the color of your movement. What is your comment on that?

[Aherdane] I find it strange that the National Democratic Party knows that. My comment is that "he who falls off his horse says that he did not fall, it was the bridle's fault."

I would also say that it would be more useful for the party to look for another color, as long as my movement's color is what caused it to be defeated in the elections. These justifications have no basis in fact. Our color is brown and cannot be compared with the National Democratic Party's color, which is khaki. Our color is the color of "good soil" and "pure honey".

[Al-Butaywi] What do you think about the results that the opposition parties obtained?

[Aherdane] In all candor, I have no desire to talk about political parties. I want conciliation for all those who work on behalf of the country's welfare. Now, there is no longer an opposition. We will see another opposition.

[Al-Butaywi] Opposition parties are challenging the honesty of the elections. Do you think the elections were honest?

[Aherdane] I do not think that, but there were problems.

[Al-Butaywi] During your appearances on television to explain your party's program, your talks were marked by simplicity. Observers noted that you were more interested in conveying your political message to the people than to the elite?

[Aherdane] As for me, the elite is one of the popular classes and not the highest class. That does not mean they are the ones with plenty of money or those who express their ideas. As for my manner of speaking, that has been well-known since I began my political career. In politics, we deal with people to raise their awareness, not to discuss philosophy. Therefore, unless the cadres understand the people's language, they cannot be cadres. My role is not to persuade those who can persuade themselves, but to persuade those who are disloyal or who do not know the reasons for things or who are lost.

There are those who ask me about the person who prepares my speeches for me. My answer is that my speeches are my words. I do not prepare them. Sometimes, I make a mistake in my words, but there is communication. I would like to ask: Is politics merely words, or is it deeds?

If politics is deeds, then my words are in harmony with the reality of my country. If politics is merely words, then there are specialists in embellishing the words that are strewn about in the air.

[Al-Butaywi] How do you interpret the position of your old colleague Dr. Abdelkarim Khetib, the secretary general of the Popular Constitutional Democratic Movement, of not participating in the elections?

[Aherdane] I have no explanation for Dr. Khetib's position. He is the only one capable of explaining that. I am sorry that Dr. Khetib is outside the political arena, particularly because he held strong, firm positions.

I think Dr. Khetib has become frustrated. I think it strange that Khetib could be any less noble-minded and his positions less courageous than some of the party leaders. This is incomprehensible.

[Al-Butaywi] Is there any new addition to the program that you will take into the coming parliamentary elections?

[Aherdane] So far, we are going in the same direction. However, the government and political parties that want to play a role in the country, must change their ways of operating and change themselves.

As for us in the National Popular Movement, after the elections, we want to organize a debate to draw up a draft charter by limited-term participants. It would concentrate on matters that are now being forcibly raised in the community, such as education, employment of youth, protecting the environment, managing local groups, and aiding the farmers.

Our view is not limited to victory or defeat in elections. We are confident of victory; our truth exists now. The

important thing to us is the future. We gained honorable results in the municipal and village elections. We have not yet completed our organizational matters because of the pressure of time. New matters have prevented that, but I can proudly say that the results we achieved were not done by fraud or by buying votes

[Al-Butaywi] Do you intend for your newspaper AL-TAKATTUL AL-WATANI to be published daily?

[Aherdane] The publication of a daily paper is a financial issue. We are deficient in this regard. We have not obtained the assistance that the Ministry of Information grants to newspapers. Therefore, we are struggling for whatever means are available to us. The fact that the newspaper is published weekly is in itself a miracle. However, it is done on a volunteer basis.

[Al-Butaywi] Are you thinking of being a candidate for the public elections?

[Aherdane] I do not know. My mind tells me no. But, there is a stronger need than my will. I think that I can no longer find sweetness or pleasure in that. I want to be content with doing my national duty, but, frankly, I have not yet decided.

[Al-Butaywi] Some majority parties have lost considerably in these elections. Did you expect that?

[Aherdane] What do you want these parties' results to be? Some of these parties have dominated the people. Would you want them to be dominated again? Therefore, I expected these parties to be affected more. A party that is created out of nothing cannot live forever. This is impossible. Matters now have become difficult, in as much as it is difficult for the forces to remain steadfast.

Every battle has a price that those who engage in it must pay. I think the injustice that befell me was a price for my work and my struggle. In principle, I accept it and, even if another blow befell me, I would accept that, because paying the price is inevitable. Otherwise, there would be no political battle. It is not reasonable for a man to get used to everything coming to him, even his house, just because he says, "I am a leader." This is not leadership. Leadership is a man dying in front of his supporters and not remaining in the rear, crying and asking the reason for defeat.

In this case, it would be best to ask the man himself. They have governments and ministers, and they are in a position to know what they did and what they committed. Everyone is accountable.

The man who works for good is accountable, even more properly than one who commits evil, because if people expect someone to do more good, they tell him that he did not do anything. In short, every party that has risen will fall unless it is built on a solid foundation. The party that is defeated will be victorious if its foundation is also solid. Political battle is a duty. Even if man gains nothing from it, it is enough that he did his duty.

[31 Oct p 6]

[Interview with Belaamshi Ahmed Yakin Tindoufi, secretary general of the Labor Party, by Zahir Daoudi in Rabat, date not given: "Elections Not Reflective of Political Map. We Hope for Change in the Parliamentary Elections"]

[Text] Belaamshi Ahmed Yakin Tindoufi, secretary general of the Labor Party, criticized the circumstances surrounding the elections. In an interview with AL-SHARQ AL-AWSAT, he said that fraud had occurred in certain areas. He announced that his party would ally itself with other parties, indicating that the party had gone through a period of stagnation, because it was "too weak to knock on closed doors."

The following is the text of Tindoufi's interview.

[Daoudi] How do you evaluate the results of the municipal and village elections, in form and substance?

[Tindoufi] The recent elections were not new elections for us. The urban and rural councils have been recognized in Morocco for 17 years. However, the distinction of the 16 October elections is that, despite some positives, contradictions occurred. The sources of these contradictions were persons who belonged to political parties and their candidates, who practiced unacceptable behavior—morally, politically, and religiously. This behavior does not honor the Moroccan people, who are known for their fairness, strength of character, and belief that democracy is the basis for all political, social, and economic progress.

Our party participated intensely in these elections, which, in our view, should not be honored. These elections confirmed the negatives of past experiences. No matter what the case, we look optimistically toward the future, in accordance with tangible indicators, most prominently the speech of King Hassan II, who stressed the necessity of the administration's neutrality with regard to the elections.

In the wilayah of greater Casablanca, especially the prefecture of Mohamedi Quarter, 15 percent of our candidates won, but they were robbed in broad daylight. For example, the head of the party's regional office in the Mohamedi Quarter announced his success in the voting office and in the municipal office. However, magic happened at 1600 on Friday 16 October, because to everyone's astonishment, another candidate's victory was announced, who victory was preferred over our candidate's.

[Daoudi] Who do you hold responsible for these violations?

[Tindoufi] The administration, i.e., the prefecture of Mohamedi Quarter, is responsible. How reasonable is it to announce the victory of one of our candidates officially, along with documenting it in the minutes of the voting office, which was sent to the Mohamedi Quarter prefecture, and then change the result behind the scenes.

In a statement, I said that the elections conducted in the prefecture were fraudulent and corrupted and in no way reflect the will of the citizens. With this negative fact as a point of departure, we demanded the elections be repeated in this prefecture.

[Daoudi] Do you have actual proof?

[Tindoufi] My brother, losing something does not bestow it. First, we have firm material proof of what we submitted in a challenge. We are still pursuing the case through the judicial authority, which has not had its final say concerning the challenge that we submitted.

[Daoudi] Your party won 76 seats in the recent voting. Are you, in fact, satisfied with this result?

[Tindoufi] Frankly, one can say that if discipline and a spirit of responsibility were prevalent on election day, we would have won a great many more than that. Even if we had won less than 76 seats, we would have been happy and would have accepted the result with an open mind, as long as violations were not the rule and honesty was not the exception.

As a national party, we try to make sound, democratic decisions that take into account the economic, social, and cultural development of the Moroccan people. We criticize, condemn, and renounce these transgressions that, in our view, form an obstacle to democratic progress in Morocco.

[Daoudi] Your reply brings us to another question. This modest result assumes an alliance with one of the other parties. Will you choose any party?

[Tindoufi] First, I would like to say a brief word about the Democratic Bloc. It was formed in special circumstances, which did not please us. In our opinion, before forming the bloc, it would have been better to consult with all of the true political parties, including the Labor Party, as an effective national party in the political arena.

Our party was not consulted in this regard. Even if we had been consulted, we would not have been able to participate in the Democratic Bloc for the simple reason that we did not know precisely what this bloc wanted to achieve.

The important thing in all this is that if the Labor Party decides to enter into a partisan alliance, either at the present time or in the future, it will ally itself with parties that are fighting, sincerely and faithfully, for the highest goal, which is to defend the interests and demands of the Moroccan people. They are the Shura and Istiqlal Party, the Popular Movement Party, the National Popular Movement, and the Popular Constitutional Democratic Movement.

One could add that the Labor Party is the sole party that can deal and cooperate with all political parties without excessive ramifications or sensitivities.

[Daoudi] Do you have an objective, justifiable challenge of your party's results, especially since the parties that were founded in the early 1980's are the ones that won the majority of municipal and rural councils?

[Tindoufi] We wanted these elections to be an instrument to bury past experience and a point of positive change in the democratic chain, both by connecting the matter to the administrative or political parties or citizens, and by translating, literally, the orders of the Moroccan monarch, requiring the neutrality of the bureaucratic machine during the election campaign and on election day. Unfortunately, the king's orders were not respected. Many violations were recorded, such as coercion, fraudulent election tickets, and, especially, buying votes for the purpose of shaping the offices of municipal and rural councils. These violations were committed by all parties, by certain persons who used their financial or political clout to influence the results, and, to a lesser extent, by the bureaucratic machine.

[Daoudi] Are we to understand from this that your party was damaged because of the violations?

[Tindoufi] Of course we were damaged, and deeply. If 16 October had passed in an atmosphere of discipline and a spirit of responsibility and total neutrality by the administration, we would have won twice as many seats.

[Daoudi] What are the social segments that gave the Labor Party its support?

[Tindoufi] Since its establishment, the Labor Party has received effective response from all vital and productive elements in the country, led by the old-time resistance fighters, members of the Army of Liberation, farmers, workers, merchants, officials, and committed intellectuals. Our party has tried and continues to try to defend their issues and their material and moral interests and to arouse their political awareness, so that they will be capable of assuming their place in society and so that their legal rights will be recognized.

[Daoudi] In light of the election results, how do you expect the political map of the next parliament to be drawn?

[Tindoufi] No matter what happens, no matter what negatives and violations, and despite the fraud against the citizens' will, since unworthy persons have succeeded in winning representation in the municipal and rural councils, we want to join with all of the efforts of political activists, either concerned with the administration or the political parties, to reform what the speculators, middlemen, and owners of illegal money have corrupted. Let us be able to enter the coming parliamentary elections in an honest political climate, free from all the violations and breaches of 16 October.

I believe that what has happened is not in the best interests of any group, because the profound changes that the world is seeing forces us to exercise political

action, starting on a firm, clean foundation that will satisfy all parties and politicians.

[Daoudi] Most political circles agree that collective elections formed an important stage toward supporting the democratic series in Morocco. Can you define for us some features of this stage?

[Tindoufi] One can say that the most prominent factor of this stage is that the spheres of urban and rural councils have begun to expand in a positive way. This means that democratic decentralization, as sketched by the king, has begun to crystalize and develop rapidly. I think that with Moroccan local democracy, if it continues its positive escalation, free of all excessive sensitivities and transgressions, and with the king's orders applied literally to guard the security and peace of this country, we can look to the future optimistically. I want to repeat that the violations of 16 October, with their foreign influence, were not in the best interests of Morocco and all Moroccans.

[Daoudi] Party newspapers are the pulpit to express party views. In this regard, do you intend to publish your paper?

[Tindoufi] Our paper, *AL MAGHREBI*, has been suspended for many reasons. The most important, first, is lack of state material subsidy for us, and, second, we have not wanted to resort to foreign support, which has been offered to us many times from several countries. Third, it is our belief that the Moroccan dirham is the only one that we can use to pursue press activities. In the very near future, we will operate on a weekly basis to put *AL MAGHREBI* on the political market because we realize that our party, without a press voice to express its positions and views, is a mute party.

On this occasion, I want to say that our newspaper suffers from rigorous censorship, which the other party newspapers do not.

[Daoudi] What is your evaluation of the party's absence for so many years?

[Tindoufi] The fact is that our party, for some time, was listless and stagnant, especially when Abdallah Senhaji was party secretary general, because at no time did he express any willingness to deal with the administration. Moreover, he did not want to knock on closed doors. However, this phase never meant that the party was absent from the political arena. As it was in the past, its goal is still to defend the demands, desires, and aspirations of the broad, silent spectrum of people. This is the Labor Party and its way.

Fraud Alleged in Municipal Elections

93AF0157C Rabat *L'OPINION* in French 29 Oct 92 p 1

[Editorial by Mohamed Idrissi Kantoum: "Courts Will Have Their Say"]

[Text] In most cases the municipal elections were marred by irregularities and gave rise to numerous and varied abuses in the various phases of the election process.

The national democratic parties have not failed to emphasize the irregularities noted in connection with the drawing up of electoral rolls, when voters were "parachuted" into municipalities where certain candidates wanted to run. That operation consisted of paying sums of money to those voters, who have no ties to the municipalities into which they were parachuted.

Besides those voters, candidates whose only means of persuasion was money systematically bought votes and spent colossal sums to ensure their election. Such proceedings conflict with the law and with ethics, but because of the neutral stance adopted by the government, those candidates were able to act with complete impunity and dared to violate the laws in effect.

But it was especially on election day itself that in some regions, there was flagrant and open intervention by local authorities to help their favorite candidates.

Every means was used to prevent the election of certain candidates who had won the support of the residents.

The report drawn up by the investigating committee representing the national democratic parties and addressed to the minister of interior throws light on the conditions in which the elections of 16 October took place.

While waiting for measures to be adopted, citizens whose rights were violated have gone to court to protest the validity of the results announced following the election and the conditions in which the elections took place. They have provided irrefutable proof of the irregularities committed and the manifest violations of the law.

It is therefore up to the courts to have their say and to decide the cases submitted to them. They must do with complete independence and impartiality in order to put an end to the abuses and to the scandalous and illegal use of dirty money to buy votes and consciences.

If this phenomenon is not stopped, it is likely to assume uncontrollable proportions in the next elections, whether those be elections for the professional chambers or legislative elections.

The courts must see to it that the law is obeyed and prevent the law from being violated and flouted.

Youth Organizations Denounce Election Results

93AF0157A Rabat *L'OPINION* in French 30 Oct 92 p 1

["Youth Organizations Demand Cancellation of Municipal Election Results"]

[Text] The Moroccan youth organizations, Istiqlal Youth, Ittihadia Youth, Moroccan Youth for Progress and Socialism, the Democratic Youth Movement, the

Youth of the UNEP [National Union of Popular Forces], the Youth of the CDT [Democratic Labor Confederation], and Moroccan Working Youth (of the UGTM [General Union of Moroccan Workers])—have issued a communique in Rabat in which they denounce the antidemocratic practices that marred the elections of 16 October. The distortion of the popular will, according to the communique, began with the packing of the electoral rolls: the use of a large number of irregular voter registration cards for people beholden to speculators and the government's favorites.

By undermining our country's democratic values, all those practices "have closed the doors of hope" as far as many young people's expectations concerning national democratic development are concerned.

In the opinion of the youth organizations, the day of 16 October will remain "a sad day in the history of our people."

For those reasons and many more, the groups signing the communique:

1. Say that the government authorities were responsible for preparing for and planning the farce of 16 October.
2. Feel that the announced results do not reflect the real political map of the country.
3. Demand cancellation of the results of those municipal elections and the setting up of a national investigating committee to look into the scandal of 16 October.

Clandestine Emigrant Situation Said Improving

93AF0157B Rabat L'OPINION in French 30 Oct 92 p 3

["Situation Clearly Improving"]

[Text] (MAP)—The situation of Moroccan emigrants residing in Spain is tending to "improve day by day," according to a statement made on Wednesday by Rafik Hadaoui, minister delegate for Moroccan communities abroad, shortly after his interview with the Spanish "people's defender," Alvaro Gil Robles.

During a press conference, Hadaoui said that Moroccan-Spanish cooperation to control clandestine immigration was "beginning to yield favorable results," and he emphasized the "important role" played by the department of the "people's defender" in protecting the interests of Moroccans living in Spain.

After expressing his satisfaction with "the efforts made by the Spanish Government" in connection with immigration, the minister said he was convinced that "thanks to close cooperation between the governments of the two countries, solutions can be adopted for solving certain specific problems."

Hadaoui, who is being accompanied by several high-level officials from the Ministry of Foreign Affairs and Cooperation, the Ministry for Moroccan Communities

Abroad, and the Hassan II Foundation for Moroccan Residents Abroad, visited Barcelona on Wednesday following a series of meetings with the Spanish ministers of labor and social security, interior, and social affairs. He also held meetings with the Moroccan community living in Madrid and its suburbs and with the mayor of the Spanish capital.

Concerning clandestine immigration, the minister for Moroccan communities abroad said in Madrid that clandestine emigrants trying to cross the Strait of Gibraltar "are not political refugees" but simply individuals attracted by the "bright image of the West as presented on television."

In an interview published in the Spanish daily EL MUNDO on Wednesday, Hadaoui also said that the inhabitants of the Saharan provinces were not showing any desire to emigrate, the reason being the huge investments made by businessmen in that part of the kingdom.

In that connection, the minister pointed out that several hundred Moroccan citizens who were natives of the Saharan provinces and who had been held in Tindouf against their will were now returning to the mother country en masse.

After denouncing "the criminal organizations that are behind clandestine immigration and operate in Spain and the rest of Europe," Hadaoui said that upon returning to Morocco, Moroccan nationals expelled from Spain are readmitted to their respective regions under normal conditions.

In conclusion, the minister called for close cooperation by Spain and the other European countries to "energetically combat the phenomenon of clandestine emigration."

Future of Textile Sector Questioned

93AF0157D Rabat L'OPINION in French 28 Oct 92 p 5

[Article by Mostafa Nassiri: "Textiles: Everything Going Wrong"]

[Text] *The textile industry is faced with serious difficulties whose causes vary but that are often engendered in foreign markets, where the industry is finding it increasingly difficult to hold its own or is even losing ground. It is experiencing a reversal that threatens to call into question the position it occupies in the national processing industry and from the standpoint of its contribution to the trade balance.*

That question and its answer are serious matters when one considers the expressions of growing concern that are beginning to resemble a real cry of alarm due to the accumulation of problems, some of which are threatening to become the substructure of a fatal crisis. At any rate, that is how the situation is being analyzed by people in the industry.

The first seven months of 1992 marked the first time that industrial investments in the textile industry had declined. Investments during that period totaled 1.3 billion dirhams, down 7 percent compared to July 1991 and 37 percent compared to July 1990.

People in the industry say they have noted that a "good number" of investment projects (dossiers with a certificate of conformity) could not be carried out because of the difficulties being experienced by the textile industry and, on top of that, higher interest rates. That is a new difficulty—and not the only one—being caused by the monetary policy (higher rates) and the liberalization of credit, and it is stressed insistently by people in the industry.

In the field of foreign trade, imports at the end of June 1992 were up 5 percent over the same month in 1991 for a total of 2.6 billion dirhams. Those imports consist basically of fabric for the clothing industry.

Direct exports totaled 4.3 billion dirhams in June 1992 for a 10-percent increase during the 12-month period. Imports were covered by exports at a rate of 165 percent, but that "does not take into account work with customers' materials, which occupies an important place" in the domestic clothing industry (60 percent), according to industry sources. Work with customers' materials is characterized by the "importation of fabric and supplies" on a temporary basis without payment.

Declines

The textile manufacturers add that in 1992, TPP (Passive Improvement Traffic) experienced a "noticeable" drop of 30 percent in comparison with the preceding year. They explain that decline by the fact that European subcontracting is shifting to the Eastern countries which, according to Moroccan textile manufacturers, have experienced an "average growth of 23 percent, with peaks of 31 percent in the case of Hungary and Poland."

Concerning the penetration of foreign markets, they add that although Morocco is still France's largest clothing supplier, its growth in that traditional market totals only 1 percent, while "all the other suppliers are showing increases: Tunisia: +11 percent; Indonesia: +75 percent; China: +50 percent; South Korea: +39 percent, and Bangladesh: +23 percent."

Textile manufacturers explain that situation by the impact of the Gulf war, which affected Moroccan exports.

They are also careful to draw attention to the steady decline in the rate at which Moroccan materials are used in clothing items. That rate is now down to 11 percent. And they add that "European weavers are increasingly using unbleached fabrics imported from Asian countries and Turkey, thus violating the rule about origin." Those practices make them "more competitive" in the industry, thus reducing "opportunities for Moroccan

weavers and textile mill owners both as regards the Moroccan clothing export industry and with respect to their direct exports."

UMA [Arab Magreb Union], Arab Countries: Almost Complete Standstill

The shoe also pinches in another spot: exports by the Moroccan weaving and spinning industry to the UMA and Arab countries are at an "almost complete standstill." Those countries once accounted for 50 percent of Moroccan textile exports. Industry sources say that Libya has "practically frozen letters of credit since the start of the year." For its part, Tunisia "is constantly putting obstacles in the way of Moroccan textile products, this includes everything from the issuing of import certificates to the opening of letters of credit." As for Algeria, its new austerity plan "scarcely encourages optimism." Moroccan textile manufacturers fear for "the fate of the contracts that have already been signed and which appear to be in jeopardy."

Imports: Liberalization Imminent

Domestically, the liberalization of imports of textile products is imminent, in the opinion of the textile manufacturers. According to them, this is causing "caution and a wait-and-see attitude on the part of the wholesalers." The result of all those difficulties is "a shrinking of market share" that will "certainly grow worse," they say.

Besides being faced with the same difficulties as other processing industries (cost of factors of production, training, administrative hassles, and social problems that are paralyzing some firms, according to the textile manufacturers), the textile industry finds its "difficulties growing worse because it is geared to exports," they say.

Textiles Hard Hit by Liberalization of Banking System

Another sizable difficulty is that the textile industry has been "hard hit by the impact of the liberalization of the banking system." The negative factors in this respect, according to those in the industry, are the rise in interest rates, the difficulties involved in discounting foreign letters of credit at banks, abandonment of the branch system for granting prefinancing for exports, and introduction of the system calling for a flat 10 percent

According to textile manufacturers, the "conjunction" of all those factors has "struck a very hard blow at the cash situation of textile firms, and this has affected their activities."

Asian Pressure

At the international level, textile manufacturers present a pessimistic analysis of the industry's situation and its outlook for the future.

In Western markets, several factors are at the root "of disturbing events, which have resulted in a climate of caution" among consumers. Since 1990 there has been a

downward trend in the consumption of textile and clothing products in the Western countries. That drop is more pronounced "than the drop in total consumption by households" (Editor's note: in the West). The slower rate of growth in wages is affecting household purchasing power and causing a "contraction in end-user consumption."

The analysis produced by Moroccan textile manufacturers encompasses the politico-economic events that are "turning the world upside down"—ranging from the fall of the Berlin Wall to the end of the communist regimes and the Gulf war, all of it against a background of economic stagnation. Those events are "generating a general destabilization" leading to disillusionment, uncertainties, and fears, including the fear of unemployment.

For its part, the drop in the value of the dollar is "penalizing Asian exporters who sell their products on the U.S. market." According to Moroccan manufacturers, "That phenomenon is inducing them to abandon the dollar zone and put pressure on the European market, our preferred market." Those Asian producers "are (consequently) fighting over quotas, and their exports to Europe are increasing as they divert part of their U.S.-bound exports to the European markets."

Furthermore, the manufacturers say, the debates over textiles that were reintroduced into the GATT talks are still underway as part of the Uruguay Round. "The results of those debates will lead inevitably to a drastic change in the conditions for competition and in markets," according to domestic textile manufacturers.

1993 Deadline and the Three-Bloc Theory

In the opinion of Moroccan textile manufacturers, the textile and clothing industry is at a crucial turning point in its development, and that turning point is the January 1993 deadline, which will mark the setting up of the European Single Market and the disappearance of borders within Europe.

The Fourth MFA [Multifiber Arrangement] agreement will also expire on 1 January 1993. Those two events "reinforce and strengthen the theory of the three blocs," according to the textile manufacturers, who explain that:

1. Japan has long since organized itself with the countries in the South
2. For its part, the United States has also "organized its textile space by increasing its agreements with the Caribbean countries," which have become its subcontractors. That process has been "reinforced by the free trade agreement with Canada and especially Mexico, which has cheap manpower"
3. Europe, whose "defensive" policy was based on compliance with the MFA agreements or the erecting of new

tariff barriers, seems to be shifting to an offensive policy capable of standing up to the growing invasion by Asian imports."

That offensive policy, according to Moroccan textile manufacturers, "is reflected in the EEC's adoption of a textile plan favoring the Community's textile regions" and providing for a sizable financial effort in favor of the industry: for a five-year period beginning in 1993, 100 million ECU's [European currency units] will be devoted annually to those "depressed textile regions" as well as to "overseeing investments by textile and clothing firms in order to improve the scope of their activity."

That policy is also reflected in the establishment of "privileged relations" with the East European countries on the basis, say Moroccan textile manufacturers, of the slogan "clothing in the East, textiles in the West."

Based on all those factors underlying their analysis of the domestic and international situation, Morocco's textile manufacturers are sounding the alarm: "If Morocco does not react quickly to all these changes by adopting a series of measures to secure its position in that framework, the future of this key sector of the national economy will be compromised."

Resounding as it does in a period of time that has the look of an era when peace of mind prevailed over apprehensions, and having to do with the future of an industry, which is in the forefront in terms of value added, exports, and employment and is quite prosperous, this cry of alarm from Moroccan textile manufacturers must absolutely lead businessmen and Moroccan officials to accept their responsibilities by organizing the counterattack and strategy that are vital.

Growth in Foreign Investments 1987-91

93AF01694 Casablanca *LA VIE ECONOMIQUE*
in French 6, 13 Nov 92

[Article in two installments by Fouad Zaim, "ESIES" lecturer at Hassan II University in Casablanca: "Foreign Investment: A 10-Year Appraisal"]

[6 Nov pp 38-39]

[Text] Foreign investments are a measure of industry's confidence in Morocco. But they also contribute to the country's development. Over the last 10 years, these investments have become increasingly important...

Over the last decade, total foreign investment in Morocco increased from 838.1 million dirhams in 1982 to 3,278 million in 1991, a fourfold increase in a 10-year period, with average yearly growth of 32.3 percent. Average annual foreign investment was 1,247.5 million dirhams, equal to US\$152 million. During the same period, national investment (in the national accounts

sense, in other words GFCF [gross fixed capital formation]), increased from 25,376 million dirhams to 54,209 million, with an average growth rate of 12.6 percent per year.

As a portion of national investment (GFCF), foreign investment grew from 3.3 percent in 1982 to 6 percent in 1991—it represented 3.5 percent of all investment over the 1982-1991 decade—while as a percentage of GDP [gross domestic product] it increased from 0.6 to 1.4 percent. Thus, although foreign investment is still a modest percentage of total national investment, it has augmented noticeably since 1986. Especially dramatic was the 75-percent surge between 1990 and 1991 (1,872.3 million to 3,378 million dirhams).

No doubt such growth is a tribute to the panoply of economic reforms launched in Morocco beginning with the adoption of the Structural Adjustment Program [SAP] in 1983. These reforms undoubtedly made the Moroccan climate more hospitable for private enterprise and business: investment codes (industrial, maritime, real estate, mining, tourism, etc.); incentives; abrogation (in January 1990) of the decree implementing the law on Moroccanization, thereby permitting the creation of completely foreign-owned enterprises; liberalization of the foreign exchange regime and successive adjustments to the rate of exchange; liberalization of external trade; the Royal Letter of 14 June 1989 requiring executive authorities to decide on any investment proposal within a two-month period; creation of a Ministry of External Investment, etc.

European Predominance

Where do these investment flows come from?

If we take 1991, the most recent year for which complete statistics are available, two-thirds of foreign investment (65.5 percent) was from the West, most of all from Europe (51.2 percent); investments from the Arab world—basically Libya, Saudi Arabia, and the United Arab Emirates [UAE]—accounted for about 30.8 percent. France was the largest investor in 1991, with close to 30 percent of all private foreign investment in Morocco, followed by the UAE (7.55 percent) and Spain

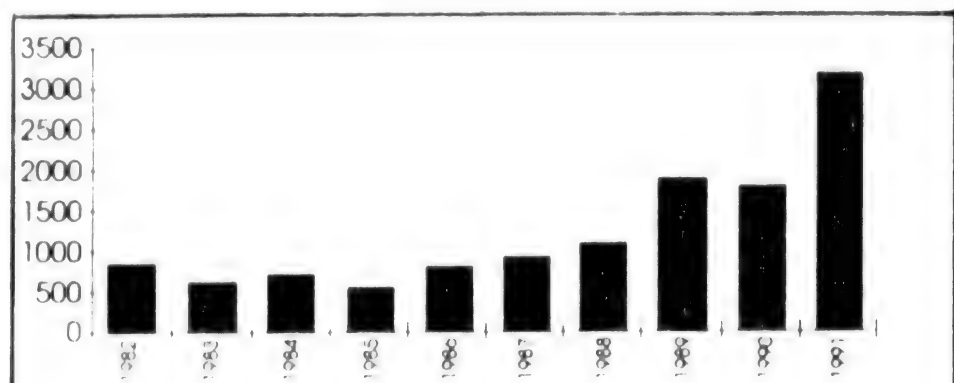
(7.46 percent). It should be noted that Libyan investment for 1991 does not appear on the chart below, since it is lumped with the "others" category, but its total that year was 397 million dirhams. The following conclusions can be derived from a study of the growth in investment flows over the decade 1982-91 as a whole.

First, the investment share attributable to the Arab world, very sizable in the early 1980's (45 percent in 1982), has tended to decline, amounting to only 30.8 percent in 1991, while the European share has grown from 35.4 percent in 1982 to 63 percent in 1991. Arab-origin investment was 42.2 percent of cumulative foreign investment over the 1982-1991 decade, whereas the European share (FEC plus Switzerland) was 51.7 percent.

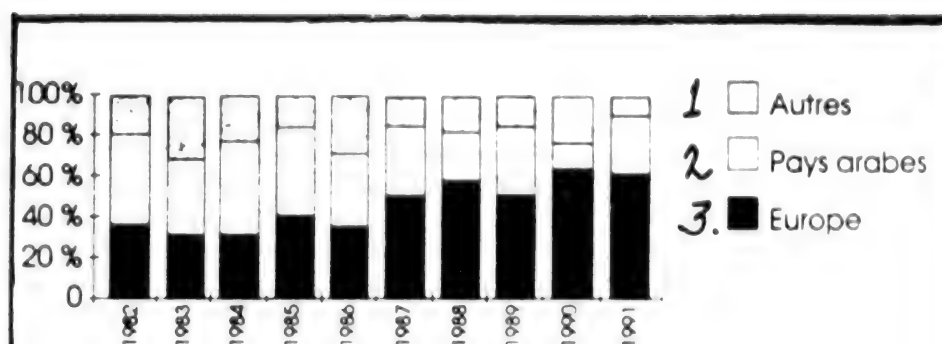
Second, cumulative investment by country over the decade confirms a ranking order not much different from the standings reported for 1991, with France far in the lead (25 percent of cumulative investment in the period), followed by Saudi Arabia (13 percent), the UAE (11.5 percent), Switzerland (6.8 percent), and finally Spain (5.5 percent).

Third, France was not the biggest investor every single year. Investment flows from Saudi Arabia and the Emirates sometimes supplanted France, notably in 1983, 1984, 1985 and 1986. But French investments began to surge dramatically starting in 1987. In 1991, French investment was larger than combined investment from Saudi Arabia, the UAE, and Switzerland—respectively the second, third, and fourth largest investing countries in Morocco.

Fourth, we should note the almost complete absence of investments from other Maghrebian countries, except for the influx of Libyan-origin investment in 1991. The signing in February 1989 of the treaty creating the Arab Maghreb Union may have had some effect on intra-Maghrebian flows of people, and somewhat lesser impact on movement of merchandise and services, but to date its effect on capital movements has been relatively minor.



Growth of Foreign Investment in Morocco (millions of dirhams)



European Versus Arab Country Shares of Foreign Investment

Key:

- 1. Others
- 2. Arab countries
- 3. Europe

Private Foreign Investment 1982-1991

Year	Millions of dirhams	Millions US\$	Millions French francs
1982	838.1	133.5	901.2
1983	556.1	68.9	579.3
1984	655.9	68.5	662.5
1985	552.6	57.3	438.1
1986	812.0	93.0	601.5
1987	933.6	119.3	643.9
1988	1,055.7	120.3	782.0
1989	1,921.0	236.0	1,372.1
1990	1,872.3	232.3	1,185.8
1991	3,278.0	392.1	2,048.8
Average	1,247.5	152.1	921.0

Foreign Investment As Percentage of GFCF and GDP

Year	Foreign investment in millions of dirhams	Percent Change	Index (1982 base)	As % GDP	As % GFCF
1982	838.1		100	0.90	3.36
1983	556.1	-33.65	66	0.59	2.29
1984	655.9	+17.95	78	0.63	2.53
1985	552.6	-15.75	66	0.43	1.85
1986	812.0	+46.94	97	0.53	2.46
1987	933.6	+14.96	111	0.59	2.95
1988	1,055.7	+13.08	126	0.58	2.84
1989	1,921.0	+81.96	229	1.00	4.35
1990	1,872.3	-2.6	223	0.90	3.66
1991	3,278.0	+75.11	391	1.42	6.05
Average	1,247.5	+32.3		0.80	3.50

Private Foreign Investment by Country of Origin 1982-1991
(millions of dirhams)

Year	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
France	169.3	76.7	91.1	98.9	131.9	226.8	304.7	453.7	575.9	973.2
Germany	31.4	17.8	15.8	31.7	15.9	32.8	109.6	81.9	78.0	80.8
Italy	4.4	3.9	2.0	10.7	14.7	18.2	9.0	53.6	21.9	63.7
Great Britain	9.0	5.6	53.9	5.8	8.3	24.9	61.6	76.1	74.6	116.4
Belgium-Luxembourg		4.3	6.0	5.5	4.7	13.6	20.9	95.9	87.4	113.4
Netherlands	3.1	13.7	0.3	6.8	2.3	7.0	20.4	11.9	104.9	135.1
Spain	28.9	30.0	3.4	18.5	49.1	45.4	40.5	1115.9	154.8	255.5
United States	10.9	3.7	53.8	3.9	6.5	61.9	31.4	87.1	48.2	92.7
Switzerland	50.3	24.6	33.9	36.0	38.7	90.0	41.8	106.3	98.0	325.5
Kuwait	147.1	34.5	36.5	36.4	49.7	41.4	13.6	13.0	18.4	75.9
Saudi Arabia	135.5	96.8	131.5	157.4	137.1	90.0	112.9	321.8	171.4	256.6
Tunisia	33.1	2.0	10.2	26.2	9.4	0.8				11.8
U.A.E.	59.8	57.6	106.1	19.0	109.6	195.4	118.7	295.4	234.2	247.4
Others	154.9	184.9	111.4	95.8	234.1	85.3	170.6	208.4	204.6	541.0
Total	838.1	556.0	655.9	552.6	812.0	933.6	1,056.0	1,921.0	1,872.3	3,278.0

[13 Nov pp 32-33]

[Text] In 1991, capital invested in Morocco was concentrated primarily in banks and financial holding companies (29.9 percent), followed by various sectors of industry (26.2 percent), real estate (15.9 percent), tourism (6.3 percent), commerce (4.9 percent), and finally construction (1.9 percent). Telecommunications, services, agriculture, mines, transport, and fisheries had very little foreign investment.

Over a multiyear period (1987-91), real estate was number one with 34.1 percent of foreign investment, followed by various sectors of industry (manufacturing, textiles, pharmaceuticals) with 25 percent, banks and holding companies with 14.9 percent, and tourism with 1.5 percent.

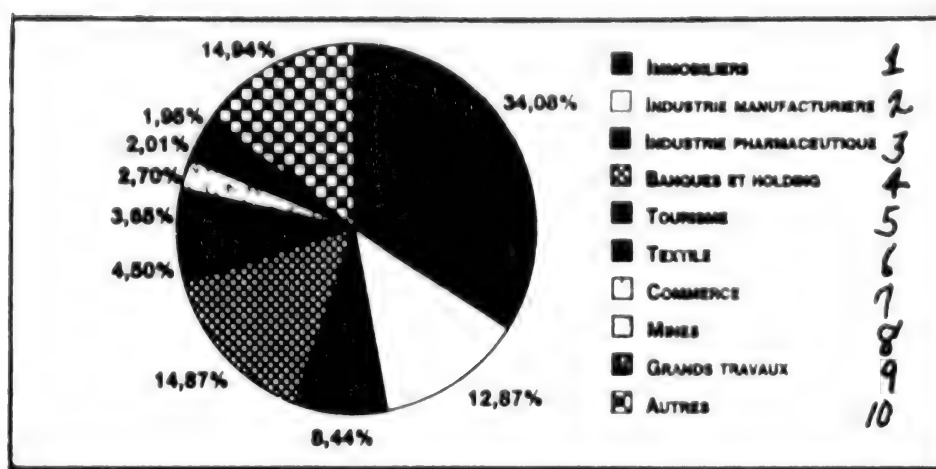
The novel feature of the 1990's, as compared to the 1980's, is the growth of foreign investment in financial institutions (banks and holding companies) and real estate, and to a lesser extent tourism. Various sectors of industry have continued to receive a substantial share. It should also be noted there has been a very clear trend toward sectoral diversification of foreign investment in Morocco.

French Investment

France is the biggest investor in Morocco, over the last five years, French investments have concentrated primarily in industry (27.5 percent of cumulative investment between 1986 and 1990, textiles included), followed by banks and holding companies (respectively 11.7 and 8.4 percent, for a total of 20.1 percent), real estate (11.7 percent), construction (6.4 percent), tourism (6 percent), and commerce (2.9 percent).

Overall among investing countries, the Arab countries of the Gulf (UAE and Saudi Arabia) are in second and third place respectively, most of their capital is in the finance sector, real estate, and (to a smaller extent) tourism. This phenomenon may be attributed to the lack of experience with industry among many Arab investors, as well as their relative ignorance (for lack of information) about Moroccan economic realities and their failure to recognize investment opportunities in sectors other than real estate and finance. Spain, the fourth-largest foreign investor (number five in 1991) has increased its investments fivefold since 1986. Sectorially, Spanish investments in 1989 were concentrated mainly in financial institutions (60.8 percent), followed by the primary sector (agriculture and fishing, 19.3 percent), and "other manufacturing industries" (8.3 percent). In 1990, priority went to manufacturing industries (45.1 percent), construction (22.8 percent), financial institutions (13.2 percent), and the primary sector (8.5 percent). In 1991, finally, the lion's share (85 percent) went into "extraction of nonenergy minerals and the chemical industry," followed by financial institutions (7.4 percent).

It should be noted that participation of Spanish financial institutions in the capital stock of Moroccan banks has grown rapidly since 1987. Banco Central and Corporacion Financiera Caja de Madrid have acquired stakes (respectively 5 and 3 percent interests) in Commercial Bank of Morocco (BCM), Banco Exterior de Espana (BEF) is now a shareholder in Moroccan Foreign Trade Bank (BMCE), in partnership with which it has created a company, Invexmaroc, to promote Spanish investment in Morocco, finally, Banco de Bilbao Vizcaya (BBV) has increased its stake in Union Bancario Hispano-Marroqui (Uniban) to 50 percent.



Cumulative Foreign Investment by Sector 1987-1991

Key

- 1 Real estate
- 2 Manufacturing industry
- 3 Pharmaceutical industry
- 4 Banks and holding companies
- 5 Tourism
- 6 Textiles
- 7 Commerce
- 8 Mining
- 9 Construction
- 10 Other

Sectorial Distribution of Private Foreign Investment 1988-1991

(millions of dirhams)

Sector	1988	1989	1990	1991
Manufacturing	148.8	219.7	293.6	713.9
Construction	8.0	82.4	32.5	60.7
Banking	36.7	240.2	150.2	493.6
Mines	18.9	39.0	1.4	16.9
Textiles	107.6	51.7	154.4	108.5
Pharmaceuticals		61.5	35.4	44.2
Commerce	21.1	45.2	54.2	161.3
Transport		0.2	1.5	25.3
Real estate	333.9	348.4	422.5	520.4
Fishing	45.3	57.3	21.9	19.5
Telecommunications	28.6	32.5	1.6	36.6

Sectorial Distribution of Private Foreign Investment 1988-1991
(millions of dirhams) (Continued)

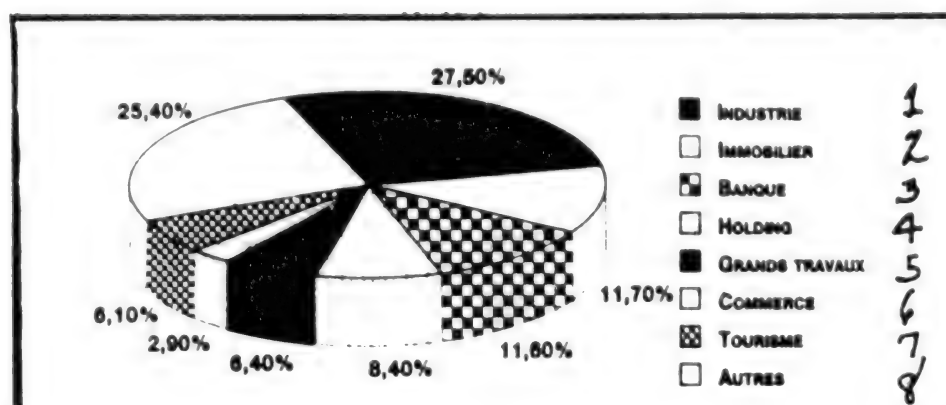
Sector	1988	1989	1990	1991
Oil		0.8	1.7	3.0
Services	1.6	8.2	0.7	25.4
Tourism	71.1	104.7	105.1	207.3
Insurance	4.6		49.6	1.3
Agriculture	10.7	35.2	20.4	22.3
Holding companies		185.6	145.1	486.3
Miscellaneous	201.8	408.4	380.5	339.5
Total	1,056	1,921	1,872	3,278

French Investment in Morocco, Sectorial Flows
(millions of dirhams)

Sector	1986	1987	1988	1989	1990
Industry	20.8	70.9	44.3	56.5	199.8
Real estate	7.2	36.8	62.9	40.6	50.0
Banking	29.4	16.4	30.2	81.6	38.3
Construction	16.5	13.1	4.5	53.2	20.8
Commerce	2.3	36.7	2.3	6.1	2.2
Textiles	4.6	7.4	22.1	11.7	26.8
Tourism	8.1	0.1	23.3	29.4	41.0
Holding companies	4.9	3.2	10.6	77.9	45.9
Others	38.1	42.2	104.5	96.7	151.1
Total	131.9	226.8	304.7	453.7	575.9

Spanish Investment in Morocco, Sectorial Flows
(in percents, using Spanish categories)

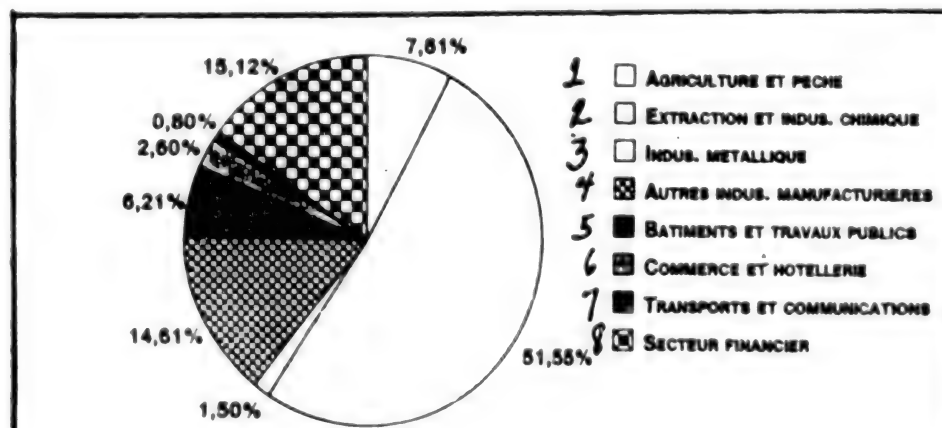
Sector	1988	1989	1990	1991
Agriculture and fishing	48.6	19.3	8.4	2.8
Energy and water	0.0	0.0	0.0	0.0
Extraction, chemical industry	0.7	0.1	1.2	84.7
Metalworking industries	7.3	7.2	1.7	0.1
Other manufacturing industries	19.1	8.3	45.1	2.2
Buildings and public works	1.6	0.4	22.8	0.2
Commerce and hotel industry	10.4	1.1	7.1	0.8
Transport and communications	0.8	2.8	0.4	0.8
Financial sector	10.1	60.8	13.2	7.4
Miscellaneous services	1.4	0.0	0.0	0.8



Cumulative French Investment by Sector 1986-1990

Key:

1. Industry
2. Real estate
3. Banks
4. Holding companies
5. Construction
6. Commerce
7. Tourism
8. Others



Cumulative Spanish Investment by Sector 1988-1991

Key:

1. Agriculture and fishing
2. Extraction and chemical industry
3. Metalworking industry
4. Other manufacturing industries
5. Buildings and public works
6. Commerce and hotel industry
7. Transport and communications
8. Financial sector

SUDAN

Al-Bashir Ouster Seen as Sudan's Solution

93AF00824 London AL-HAWADITH in Arabic
25 Sep 92 pp 28-29

[Interview with General Fathi Ahmad 'Ali by Usama 'Aja]: place and date not given]

[Text] The situation in Sudan raises tens of questions and hundreds of question marks. Of special concern are events such as the latest crisis with Egypt about the Hala'ib Triangle, the military situation in the south, relations with the opposition, Khartoum's adoption of all religious extremist streams that exist in all the Arab and Islamic world, and lastly, the domination of the National Front regime and its leader Hasan al-Turabi on all matters in Sudan. All of these questions were focal points in the interview that AL-HAWADITH conducted with General Fathi Ahmad 'Ali, former commander of the Sudanese Armed Forces, and representative of the legitimate leadership of these forces in the National Coalition. Following are excerpts from the interview.

['Aja] To begin with, there is an observation of particular importance that concerns the limited role of the Sudanese opposition and its shaky performance. It had given observers the impression that it would oust the Bashir regime tomorrow, yet, this tomorrow has not come about, and the regime is being consistently consolidated.

['Ali] The truth is that we should not view the opposition as just capable of organizing demonstrations and strikes or only concerned with fulfilling just one action inside the country. The opposition is a complementary military-political action that deals with the Sudanese issue from all its aspects and in a gradual and escalating manner. If this principle is agreed upon, then it is found that the Sudanese opposition has placed its principles in the National Coalition contract, the establishment of a transitional government, and the detailed programs declared during its convention at Addis Ababa in March 1991. This convention was a success, and it comprised both the Popular Movement and the legitimate leadership. This convention worked as a foundation for forming subcommittees for the different issues. Eventually the London convention, which represented an advanced phase, took place at the beginning of this year. At London, programs for the transitional government were agreed upon, as well as a unified contract, that seemed crucial to have when the Popular Movement presented proposals for the old contract's amendment. The transitional period programs included setting economic and foreign policy directives and establishing laws for parties and the media. We think that this was a remarkable achievement. It was not conceivable for an internal uprising to oust the regime and form a government without having programs and remedies for current issues and for meeting the people's urgent needs. We,

therefore, provided solutions for Sudan's complicated problems, which will facilitate the functioning of the transitional government.

['Aja] Let us agree that any opposition works toward seizing power. This endeavor could be achieved by ousting the regime. Is that not the Sudanese opposition's target?

['Ali] The issue of ousting the regime is not a target in itself. It is a means to achieve what every Sudanese is aspiring for, which is enjoying freedom, justice, and democratic pluralism. It is also a means to solve Sudan's complicated problems, which are the result of the cultural, religious, and ethnic diversification. These are important targets that require careful preparation and sufficient time. The Sudanese people rejected al-Bashir's regime and watched it as observers, without contributing to it. The Sudanese people now stand in one direction, and the minority who support the regime stand in another direction. There were disturbances, and engineers, physicians, and workers went on strike. There were also demonstrations and civil disobedience in some Sudanese cities. As for the military, there were more than five attempts by them to restore democracy. These five attempts represented those declared against the regime, yet, there were many undeclared ones. Those who took part in these attempts were executed. The outside world has not heard all about this national civil-military struggle because the regime, with all the capabilities of the state and media, managed to conceal and hide this part of the Sudanese people's struggle from the outside world.

['Aja] Then what precisely are the achievements of the Sudanese opposition?

['Ali] The Sudanese opposition not only succeeded in preparing itself for the coming phase, but also succeeded in isolating the regime inside Sudan. It also isolated the regime from the outside world and revealed the regime's practices, falsifications, and pretensions in various areas, whether they be in the area of the economy, violations of human rights, or disbelief in democracy. The Sudanese opposition also succeeded in revealing the ugly face of the regime and how it pretends to don Islamic attire in order to perform certain actions in the name of Islam, but which in fact do not belong in any way to the Islam that we practice. This means that the regime is using the pretext of Islam for its own political gains. We are there. This is so, because the work of the legitimate leadership, be it in the past or the future, has always sprung from within the Sudanese Armed Forces and operated through them. In this regard, we have a word of reproach to our brethren and relatives who refrain from supporting the Sudanese opposition, which represents all the Sudanese people. In fact, there are some Arab countries that still support the current regime in Sudan.

['Aja] Do you think that the fact that disturbances, strikes, and civil disobedience, which characterized the first phase of al-Bashir's regime and have stopped now,

could be considered as a plus and not as a minus for the regime. Does this mean that the regime has managed to bring about both tranquility and stability?

[Ali] This is not a success for the regime. It is the opposite, for several reasons. The regime used all of its powers to disintegrate the associations and unions. The associations' and unions' leaders and presidents were imprisoned. The regime appointed "working committees" to undertake the work of the associations and unions, and these were rejected. In addition, the regime resorted to violent treatment of detainees, who suffered the worst kinds of torture. The regime confiscated the associations' and unions' buildings and financial and material assets. It also restricted the remaining leaders' movement both inside Sudan, from one city to another, and from leaving Sudan. Finally, the regime denied those remaining leaders freedom of speech, freedom of the press, and the freedom to hold meetings.

[Ajaj] How do you view current conditions in Sudan?

[Ali] Under al-Bashir, Sudan is going down the drain. This same situation has become the general rule for all of the African Horn. If one looks closely at what is happening in both Ethiopia and Somalia, one finds that Ethiopia is only one step away from becoming another Somalia. Current conditions in Sudan indicate that it is proceeding along the same destructive lines and that it is only two steps away from becoming a third Somalia. Civil war is continuing in Sudan, and casualties are severe among the people of the same nation, in the north as well as in the south. The Front regime is persistent in its negative political and media policy with regard to the Arab and Islamic countries.

[Ajaj] Do you have a clear explanation for the persistence of the present regime in Sudan?

[Ali] The explanation is in the fact that the Islamic Front party resorts to "compulsory jurisprudence," according to its interpretation, in its political, economic, military, and security proceedings. For example, the party worked with the opposition against Numayri, until they chose to join Numayri because of "compulsory jurisprudence," siding with him and supporting him. They used the same jurisprudence to withdraw from the struggle between the opposition and Numayri, and they adopted, very cleverly, democratic pluralism to exploit all that is permitted and possible to destroy democracy. Such experience made it possible for the front to learn all about the opposition activities against al-Bashir. Accordingly, a work program was implemented with the goal of paralyzing the opposition's capability to work. This was done with help from Iranian experts, particularly in the sphere of terrorism and inciting panic. Iranians even took part in the interrogation of detainees, using methods that were unknown outside Iran. Those methods were only revealed lately, when those who had been detained and imprisoned were released. The recent release of detainees and prisoners did not happen under world pressure for human rights, as might have been

thought. In point of fact, it had been a message that was relayed from the detainees and sufferers to the general public about what the public could face inside the regime's detention camps.

[Ajaj] Mentioning Iran, we would like to make a reference to Faruq Abu-'Isa, secretary of the Arab Lawyers Union, and one of the leaders of the Sudanese opposition. He discovered lists of names of Iranian experts who were working in support of the regime. Why have those lists not been published?

[Ali] The coalition can publish those names, and this will be done soon after consultation with all coalition factions. In addition, all of the names of the Iranians, Lebanese, and people of other nationalities—particularly names of those extremists who have been trained in Sudan for the benefit of the extremist tendency—will be delivered to the concerned authorities, both inside and outside of the region.

[Ajaj] What is your evaluation of the regime's victories on the battlefield in the south, in the same sphere where the Armed Forces of previous regimes had failed?

[Ali] At the outset, it must be stated that the current regime in Sudan has concentrated all of its resources, economic and noneconomic, and transformed them into resources for war. The latest of these procedures has been the declaration of the "jihad tax." The regime has benefited from weapons and equipment it received from Iran and other countries for the initiation of this campaign. Politicians planned this campaign, calling it the "jihad campaign" against infidels and Christians. Most of those taking part in this campaign belonged to the Popular Defense Force, which the regime had established from the Front cadres. This campaign managed to enter some cities, areas, and villages, in different parts of the south, and capture individuals. However, according to our accurate information, the Popular Movement withdrew all its forces from some of these areas and cities so that the regime's forces could enter them without fighting. Regarding the military aspect of the campaign, it is recognized that in both guerrilla and jungle fighting, there is no fighting that involves large forces. What always happens is that the opponent draws the attackers to a suitable site, which is determined according to the opponent's knowledge of the physical, geographical, and climatic characteristics of that site, and then strikes the attackers. The second military strategy aims at lengthening the attackers' supply routes in order to lead their forces far from the center, making it difficult to provide the attackers' forces with supplies and ammunition. Therefore, by surrounding the attackers and subjecting them to attrition, they are placed in what could be termed a trap. The present situation in the field of operation, and in other regions, indicates that the regime's military campaign is, by all measures, a catastrophe. Even though the regime's troops managed to enter some cities and villages, they are surrounded there and isolated from their headquarters. It, therefore, has become difficult to provide them

with supplies and ammunition. It is also impossible for the attackers to consolidate their troops at their present locations, because roads are rough and the climate is bad. This was clear in the case of the attackers' siege of Juba, where the campaign headquarters are located. Even Juba's fall is a matter that could be considered by the Popular Front's forces. It can be ascertained that this campaign has exhausted the regime's armed forces and inflicted heavy losses on them. These losses could not have been inflicted under different circumstances. We in the legitimate leadership believe that the Islamic Front is responsible for what is happening. It is ironic that at this time the regime is calling for draftees among youths aged 18 to 33, in order to throw them in the furnace in southern Sudan. We are surprised that at the top level of the Armed Forces, some high-ranking officers who have great experience would agree to implement a plan such as this. Our surprise is built on the assumption that the results of such a plan from a military perspective are clear. The experience of the past 33 years ensures that a military campaign could not end the war in the south, because this war was initiated when some Sudanese from the south attempted to secure their justified rights to citizenship.

[Ajaj] Do you think that Garang's statement, which he made at the last Abuja convention, about his wish to have a separate Sudan in the south has caused both the opposition and the coalition great embarrassment because they have always considered him one of their important elements?

[Ali] Whoever reads the literary work of the Popular Movement since its inception or reviews previous political or military movements of the south against the north would not find the separation of the south as a demand, except when southerners had despaired of having relations with northerners. It is already nine years since the Popular Movement adopted the 1982 "manifesto." Local, regional and international changes have since occurred. The war has been long and bitter and has affected mostly the fighters and the citizens in the south. Some of those in the south are nearer to despair; so they call for separation as a solution. However, divisions in the movement, the collapse of the Mengistu [regime], and the pressures from inside have all led to the adoption of a new "manifesto." These were the Torit resolutions adopted in August 1991. These resolutions called for the establishment of a federation, a confederation, or even self-determination. Regarding this matter, we view it from an objective perspective, appreciating the Popular Movement's conditions and the suffering of the Sudanese citizens in the south. Nevertheless, after the Abuja convention, the Popular Movement emphasized its absolute belief in Sudan's unity and its agreement with all of the Democratic Coalition's resolutions. Furthermore, it stated that it resorted to such an attitude during the talks just as a maneuver. The Popular Movement knew quite well that it would not reach an agreement with the current regime in Sudan, because the war

had been going on at the same time that the talks were being held, which reflected the insincerity of the front regime's call for peace.

[Ajaj] There is talk within Sudanese circles that the legitimate command of the Sudanese Armed Forces lacks support, especially because its commander was a navy officer who had been totally aloof from the regular branches of the Armed Forces?

[Ali] I myself am principally an officer. I graduated at the top of my class at the Military Academy. I volunteered to study in the Navy at the time that the notion of establishing a Navy force had surfaced in Sudan for the first time. I attended the staff and infantry commanders' course at Umm Durman, and was the top graduate in my class. I was nominated to go on another study course at the British Staff College. I have tutored four junior staff classes and two senior staff classes. All of these events put an emphasis on the fact that my specialization as a Navy officer did not refute my association with all other branches of the Armed Forces.

[Ajaj] Are you sorry that you did not pursue seizing power at that time, before al-Bashir coup? You could have done that, being the commanding general.

[Ali] I am not at all sorry. At that time, I still enjoyed the confidence and endorsement of the united forces. I could have assumed power, yet, I refused. I am not at all sorry, because I believe in democracy, in preserving the Constitution. I believe neither in military rule nor in civil dictatorship. I also consider that the Armed Forces' stand in February 1989—at the time that the memorandum was presented—will serve as a lesson because it represented the true and nationalistic role of the Armed Forces in such a situation. Such a situation, when the Armed Forces reject a military coup, rarely happens in Third World countries.

[Ajaj] Yet, this does not refute the fact that others from the Armed Forces initiated the coup with the support of the Islamic Front?

[Ali] Al-Bashir's coup was not the result of prevailing conditions at the time, but it was the outcome of sustained efforts undertaken by the Front since 1981, which was during the Numayri presidency. Since that time, the front has managed, with the aid of a well-studied plan, to establish a large economic base, manifested in the establishment of Islamic banks, the front's penetration of all constitutional institutions, and its impact on large numbers of naive and weak minded people. Furthermore, the front managed to penetrate both the Armed Forces and other regular forces. Eventually, the front was able to build a military militia and train some of its members in Iran, Afghanistan, and some Arab countries. In addition, it exploited the "memorandum spirit" and the prevailing circumstances among the Sudanese public. Finally, the front initiated its coup, using the names of the commander general and his staff at the same time that these persons were under arrest. Within a short period, the front managed to get

rid of the influential civilians and military leaders, and arrested them. The front replaced those individuals with National Salvation and Islamic Front members.

[Ajaj] How do you interpret the Sudanese escalation of the Hala'ib issue during the past period?

[Ali] Whenever border issues or other issues involving Sudan's relations with Egypt or with its neighbors flare, domestic conditions must be looked into. The security, stability, economic, political, and social conditions of both sides should be reviewed. This should be done in order to find out which side is trying to turn domestic problems into foreign ones, because it is a fact that the Sudanese people, who possessing a nature that is known to want to support whoever is trying to defend the people, would react in that person's favor. This happened when the opposition forces came across the Libyan borders to oust the Numayri regime in 1976. At that time, both the Army and the people fought those forces until they conquered them, although both sides had been against Numayri. The reason for that was "freedom." This is an ordinary course of events in Sudan.

As for the front's bringing up of the Hala'ib issue at this particular time, this action provokes laughter before it causes concern. People all over the world are now speaking about the removal of borders and are coming closer together from the economic, political, and security aspects, while the regime in Sudan is looking for problems. Leaving out governments, the people in both Egypt and Sudan would not like relations between the two countries to be distorted, because they are strong and above distortion.

[Ajaj] What is the truth about the news that "cassettes" carrying a letter from you have reached the Sudanese Armed Forces and are being distributed there?

[Ali] This kind of move is one that is a part of all legitimate leadership moves. The Sudanese people, including all factions, are taking part in the struggle against the regime. The struggle inside Sudan is expressing itself by different means. This regime knows only force.

[Ajaj] You said that the cassettes were only a part of a whole. What is the legitimate forces' strategy to topple the regime?

[Ali] The Democratic Coalition contract portrayed this issue clearly. It approved a political and military struggle to oust the regime. It also urged all Sudanese nationals to execute this national duty. The legitimate leadership, as a part of its political strategy, should work through its media to depict the scandals of the different policies of the regime, as well as the regime's activities, both inside and outside of Sudan. We did this using all available means, such as using recorded cassettes to spread awareness. We urged people to continue their struggle. We had to use this method because we needed the voice of the opposition to be heard inside Sudan and we needed to

penetrate the front's control of the media, which had been suppressing any voice but its own. Anyway, these cassettes caused the front much annoyance.

[Ajaj] What is the nature of your relations with Numayri, particularly because you are the Armed Forces legitimate leader and he has refused to deal with the political opposition?

[Ali] Our relations with Numayri are similar to those with al-Bashir. Due to his revolt in 1969, Numayri caused the downfall of an existing and lawful democratic regime. He tried all sorts of unplanned political experiments. He tried both the communist and the socialist systems and whatever came in between. He ended up with what he named the Islamic system, which was the card that brought about his downfall. As for al-Bashir, he started with the same card that Numayri ended with and is following the same path. The difference between them is that al-Bashir's violence is greater, but Numayri possessed the regime, while al-Bashir is the Islamic Front's tool. As the legitimate leadership sees them, both are officers who violated the Armed Forces laws when they seized power. The same laws will be applied to them when democracy is reinstated.

Finance Minister's Policy Criticized

93AF0082B London AL-SHARQ AL-AWSAT in Arabic
14 Oct 92 p 4

[Text] There was a strong disagreement among the Sudanese Cabinet members during their meeting last week. This disagreement started when Dr. Husayn Sulayman Abu-Salih, minister of social affairs, criticized the economic policies, especially the policy of freedom of circulation of hard currencies. He wondered if the Finance Ministry had any clear policies to stop the Sudanese pound's decline, and consequently, the decline in its purchasing power, and how this policy reflects of the status of the citizens.

Sources said that both the agriculture and irrigation ministers and the minister of cabinet affairs joined Dr. Abu-Salih in his criticism of the finance policies.

Finance Minister 'Abd-al-Rahim Hamdi defended his ministry's policy and said that sacrifice was needed. He said he believes that the Sudanese people supported his resolutions and knew that they were serious, and therefore the people were being patient. The finance minister asked his colleagues to be patient and wait for good results. He also promised that the dollar's exchange rate would go down. He predicted that the Sudanese pound would become a valuable currency.

Eventually, Major General al-Zubayr Muhammad Salih, deputy revolutionary council chairman and deputy prime minister, intervened in the discussion and ascertained the importance of the sacrifice. Al-Zubayr demanded a quick solution to the increase of the dollar's exchange rate and promised to dispatch authorities to arrest those who were dealing in the currency market.

Sources said that later, Lieutenant General 'Umar al-Bashir, chairman of the revolutionary council and prime minister, also intervened in the discussion, saying that he was surprised that the finance minister had not targeted a certain date for rebuilding the economy. Al-Bashir also asked the finance minister to find a quick solution to the decline of the Sudanese pound. After this cabinet meeting, there were rumours in Khartoum about the finance minister's resignation and his house arrest. During that time, the daily INQADH AL-WATANI published a full-page report in which "economic experts" gave their views on the increase in the exchange rate. These experts said that this happened because of the decision to float the dollar. They further mentioned that there was no reason to float the dollar, as the Sudanese pound's resistance to it had been weak. Consequently, they believed that the resolutions passed by the finance minister were behind the current decline of the Sudanese pound.

Sudanese security authorities called in the journalist who had prepared this report and questioned her about the identity of the experts whose statements she had quoted in her report.

On the other hand, the Sudanese news agency mentioned that a Sudanese delegation would be visiting Abuja, the Nigerian capital, during the coming days in order to resume the peace talks between the Sudanese Government and Garang's movement.

The agency quoted the government delegation's spokesman, 'Ali al-Haj Muhammad, as saying that the Sudanese Government wished that those coming talks would be decisive and would find a solution to the civil war. Muhammad indicated that no final date had been set for these talks.

The spokesman said: "The different factions of the insurgents, led by the Popular Army for the Liberation of Sudan, will take part in those talks so that none of these factions will continue to carry arms and threaten the country's stability."

Nigeria had initiated the first round of peace negotiations between the Sudanese Government and the two factions of Garang's Movement. The first round began at the end of May and lasted until the beginning of June at Abuja.

UNITED ARAB EMIRATES

Vickers, Franco-German Combine Vie for Tank Deal

93AE0093A London AL-HAYAH in Arabic 3 Nov 92
p 11

[Article by Muhammad Ma'tuq: "Vickers, Franco-German Combine Compete for UAE Tank Deal"]

[Text] Vickers, the British company that lost a battle to obtain a contract with Kuwait to sell that country 236

tanks in a competition with the American company, General Dynamics, has stated that it will be shocked if it loses a new bid for the United Arab Emirates [UAE] market to a Franco-German combine. However, it considers predictions premature that its failure to obtain contracts from Oman or Saudi Arabia would force it to close down one of its Challenger 2 tank production plants and, consequently, dismiss 800 workers.

That was the reply of the British company's spokeswoman to AL-HAYAH's questions about the possibility of the UAE buying the French Leclerc tank, equipped with German engines, as had been mentioned in recent press reports. These reports stated that the UAE had paid \$50 million to cover the costs of replacing the French diesel engine in the Leclerc tank, which is produced by the Giat Company, with a German engine manufactured by Motoren-Turbinen Union (or MTU). The latter firm manufactures the German Leopard tank's engine. The German group, Deutsche Aerospace, which owns MTU, confirmed that the new engine is currently being developed and that actions to obtain an export permit from the German Government have begun.

Giat's winning the contract would represent a blow to its two competitors, Vickers and General Dynamics, which produces the Challenger 2 and the M1A2 tanks, respectively. The British and American tanks participated alongside the French tank in demonstrations that were conducted in the Gulf region last September. The British firm's sources say that because of transporting one of its tanks to the Gulf and joining the other eight tanks in the maneuvers conducted by the British Army, it was unable to comply with the Saudi Arabian Government's request to exhibit the British tank in trials that were held the same month within the context of an international competition for a contract worth \$1 billion.

[Brig] Daniels told AL-HAYAH on 2 November that Vickers understands the existence of strong relations between the UAE and France, but it still believes there is an opportunity to win the contract with the UAE. She said that after what happened in Kuwait she was working to win contracts in the other Gulf states. She is "aware that this cannot be done by sitting and waiting for the contract to drop into our arms."

Last month, Vickers lost the bid for the Kuwaiti contract to the American firm General Dynamics. At that time, it was said that American President Bush and a number of his aides had written to officials in the Kuwaiti Government urging them to buy the American tank, which is manufactured at a General Dynamics plants in Lima, Ohio, where Bill Clinton was eight points ahead of President Bush in opinion polls. This story was confirmed by the American press at that time, but a report was leaked in Washington on 1 November, claiming that the American tank was superior to its British competitor in firing accuracy and that this was the reason behind the Kuwaiti Government's choice of the M1A2. Vickers complained that the British Government did not use its

good relationship with the American Government to influence the decision to choose tanks for the Kuwaiti Army. At the time, it was rumored that the British firm would complain to the Ministry of Defense and that this might cause Kuwait to protest the way its decision to prefer the American tank over its British competitor was revealed, which was done through the media. That occurred after British Defense Secretary Malcolm Rifkind had signed a defense cooperation agreement with Kuwait.

Daniels said that Vickers has not yet raised the matter with the Ministry of Defense, but she said that the company has not, by any means, abandoned the idea. On 21 November, in a statement to AL-HAYAH, a spokesman for the British Ministry of Defense refused to comment on the British defense secretary's recent visit to the Gulf and on whether problems pertaining to the purchase of British weapons were raised. In reply to a question about whether Britain was anticipating the purchase of new British weapons, he said that it would be wise to ask the party that is thinking about buying.

Britain cannot claim that its relations with the UAE merit an end to the competition with France for the UAE market, especially in light of the French complaint that trade relations between the two countries are considerably below the level of political and defense relations. The matter of the International Bank of Credit and Commerce International (BCCI), which Britain shut down and then led a campaign to close its branches in various parts of the world in July 1991, remains a source

of tension in relations between the UAE and Britain. Reports indicate that the Abu Dhabi Government, which owns 77.4 percent of the failed bank, is very displeased over the way the Central Bank of England handled the BCCI problem because it caused the Abu Dhabi Government to lose several billions of dollars. Part of this money was pumped in before the bank closure, in order to help a proposed plan to restructure the bank and keep it solvent. The courts of the countries concerned had agreed to this, and implementation was expected to begin next year unless an appeal of the ruling in Luxembourg within the next few weeks resulted in that being overturned.

Vickers officials think it unlikely that the BCCI problem will have a negative effect on the company's opportunity to sell its tanks. On the contrary, one of them said that the bank problem was impeding the development of relations between the UAE and the United States more than it was affecting UAE-British relations. However, this will not decide the fate of Challenger 2 in the UAE market, because the strongest competition is not the M1A2 tank. The strongest competition comes from the French tank.

Companies vying with the French firm, including Vickers, are betting that the deal, which has an estimated value of \$3 billion, has not yet slipped out of their hands, provided that Germany is prohibited from selling arms in areas of tension. Consequently, German Defense Minister Volker Ruhe may refuse to grant a license to sell the German engine for the French tank.

AFGHANISTAN

Three Hundred Thousand Refugees Return Home

93AS0212Y London KEYHAN in Persian 26 Nov 92 p 3

[Text] According to official statistics, 3 million Afghan refugees live in Iran. Unofficial statistics consider this number to be much higher. In any case, Iran cannot easily handle so many refugees. Hence, a program to encourage them to return has been enacted. Those Afghans who intend to return can take up to 100,000 tomans worth of transportable property along, and those who in the meantime have married Iranians can take their Iranian spouses with them. In exchange, Afghan women who have married Iranian husbands can remain in Iran.

Of the 3 million Afghan refugees, so far only 300,000, that is, one-tenth, have returned to their country. In order to assist in the return of the Afghan refugees, Japan has so far allocated \$2.5 billion for this purpose.

The director general of foreign nationals in the Ministry of Interior considers the return of all Afghans, or most of them, dependent on conditions in that country returning to normal. He said: The United Nations has made cash payments to return Afghans from Pakistan to their country, but has not done so with regard to Iran.

Last year, the Ministry of Interior was studying a plan according to which the Afghans residing in Iran were to be centered in camps in order to better supervise their activities, because those Afghans who have come to Iran illegally are heavily involved in criminal activity and the smuggling of narcotics in Iran. But that plan was abandoned because it was not practical.

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